

**NORTHWEST FOUNDATION, INC.**  
**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**  
**YEARS ENDED JUNE 30, 2021 AND 2020**



WEALTH ADVISORY | OUTSOURCING  
AUDIT, TAX, AND CONSULTING

[CLAconnect.com](http://CLAconnect.com)

**NORTHWEST FOUNDATION, INC.  
TABLE OF CONTENTS  
YEARS ENDED JUNE 30, 2021 AND 2020**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>6</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>8</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>10</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN DEPOSITS     HELD FOR OTHERS</b>	<b>37</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Northwest Foundation, Inc.  
Maryville, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Northwest Foundation, Inc. (a nonprofit organization), which comprise the financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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.

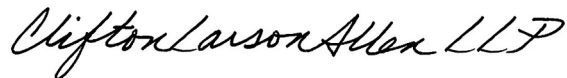
Board of Directors  
Northwest Foundation, Inc.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northwest Foundation, Inc., as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Revenue, Expenses, and Changes in Deposits Held for Others is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



**CliftonLarsonAllen LLP**

St. Joseph, Missouri  
October 28, 2021

**NORTHWEST FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
Cash	\$ 875,917	\$ 1,193,853
Cash Equivalents	576,166	934,379
Cash Restricted for Debt Obligations	294,572	284,406
Interest Receivable	57,966	14,942
Contributions Receivable	5,974,838	6,084,436
Investments	45,275,256	38,501,919
Cash Surrender Value	338,768	315,904
Note Receivable	3,544,449	3,951,365
Beneficial Interest in Charitable Remainder Trusts	2,634,781	2,239,326
Land Held for Sale	-	425,000
Property and Equipment, Net	1,817,829	1,884,578
	\$ 61,390,542	\$ 55,830,108
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 133,147	\$ 120,875
Annuity Contracts	835,113	930,280
Deferred Revenue	38,650	45,500
Deposits Held for Others	87,484	102,537
Bonds Payable	5,390,000	5,985,000
Present Value of Interest Rate Swap	279,692	428,998
Total Liabilities	6,764,086	7,613,190
<b>NET ASSETS</b>		
Without Donor Restrictions	5,954,933	3,747,754
With Donor Restrictions	48,671,523	44,469,164
Total Net Assets	54,626,456	48,216,918
Total Liabilities and Net Assets	\$ 61,390,542	\$ 55,830,108

See accompanying Notes to Financial Statements.

**NORTHWEST FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT, AND GAINS</b>			
Contributions	\$ 480,044	\$ 6,058,042	\$ 6,538,086
Charitable Remainder Trust Contributions	-	44,400	44,400
Fundraisers	137,044	-	137,044
Investment Return	2,746,045	6,449,750	9,195,795
Change in Present Value of Interest Rate Swap	149,306	-	149,306
Change in Value of Charitable Remainder Trust	-	351,055	351,055
Other	86,959	-	86,959
Net Assets Released from Restrictions	8,700,888	(8,700,888)	-
Total Revenue, Support, and Gains	12,300,286	4,202,359	16,502,645
<b>EXPENSES</b>			
Program Services	9,301,887	-	9,301,887
Support Services:			
Management and General	457,840	-	457,840
Fundraising	333,380	-	333,380
Total Expenses	10,093,107	-	10,093,107
<b>CHANGE IN NET ASSETS</b>	2,207,179	4,202,359	6,409,538
Net Assets - Beginning of Year	3,747,754	44,469,164	48,216,918
<b>NET ASSETS - END OF YEAR</b>	\$ 5,954,933	\$ 48,671,523	\$ 54,626,456

See accompanying Notes to Financial Statements.

**NORTHWEST FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT, AND GAINS</b>			
Contributions	\$ 649,895	\$ 3,726,314	\$ 4,376,209
Fundraisers	61,946	-	61,946
Investment Return	368,946	446,429	815,375
Change in Present Value of Interest Rate Swap	(142,070)	-	(142,070)
Change in Value of Charitable Remainder Trust	-	(30,533)	(30,533)
Change in Value of Annuity Liabilities	(107,498)	-	(107,498)
Change in Cash Surrender Value	24,030	-	24,030
Other	76,956	-	76,956
Net Assets Released from Restrictions	3,638,025	(3,638,025)	-
Total Revenue, Support, and Gains	4,570,230	504,185	5,074,415
<b>EXPENSES</b>			
Program Services	4,185,506	-	4,185,506
Support Services			
Management and General	465,913	-	465,913
Fundraising	302,267	-	302,267
Total Expenses	4,953,686	-	4,953,686
<b>CHANGE IN NET ASSETS</b>	(383,456)	504,185	120,729
Net Assets - Beginning of Year	4,131,210	43,964,979	48,096,189
<b>NET ASSETS - END OF YEAR</b>	\$ 3,747,754	\$ 44,469,164	\$ 48,216,918

See accompanying Notes to Financial Statements.

**NORTHWEST FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
	<u>University Support</u>	<u>Management and General</u>	<u>Fundraising</u>	
University Support	\$ 7,552,596	\$ -	\$ -	\$ 7,552,596
Scholarships	1,199,474	-	-	1,199,474
Salaries	12,816	237,711	-	250,527
Professional Fees	51,084	56,047	-	107,131
Interest Expense	185,482	-	-	185,482
Bond Fees	103,792	-	-	103,792
Northwest Alumni Magazine	96,895	-	-	96,895
Travel, Cultivation, and Outreach	39,384	1,522	38,344	79,250
Depreciation	13,519	32,364	23,865	69,748
Events and Meetings	2,963	19,409	23,073	45,445
Computer Hardware and Software	16,386	14,043	52,105	82,534
Staff Development and Conferences	732	4,092	5,617	10,441
Administrative Expenses	-	62,447	-	62,447
Community Relations	-	-	8,303	8,303
Fundraisers	-	-	110,296	110,296
Supplies, Printing, and Mailing	234	7,644	37,602	45,480
Communications	5,520	-	-	5,520
Insurance	5,894	9,607	33,946	49,447
Repairs and Maintenance	116	12,954	229	13,299
Bad Debt Expense	15,000	-	-	15,000
	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Total Expenses by Function	<u>\$ 9,301,887</u>	<u>\$ 457,840</u>	<u>\$ 333,380</u>	<u>\$ 10,093,107</u>

See accompanying Notes to Financial Statements.



**NORTHWEST FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
	<u>University Support</u>	<u>Management and General</u>	<u>Fundraising</u>	
University Support	\$ 2,495,796	\$ -	\$ -	\$ 2,495,796
Scholarships	1,114,593	-	-	1,114,593
Salaries	12,113	239,483	-	251,596
Professional Fees	51,084	71,528	-	122,612
Interest Expense	222,968	-	-	222,968
Bond Fees	111,250	-	-	111,250
Northwest Alumni Magazine	67,768	-	-	67,768
Travel, Cultivation, and Outreach	32,613	2,933	59,846	95,392
Depreciation	18,192	30,716	21,943	70,851
Events and Meetings	17,988	29,667	66,532	114,187
Computer Hardware and Software	28,641	14,351	48,736	91,728
Staff Development and Conferences	-	9,854	1,045	10,899
Administrative Expenses	606	39,556	-	40,162
Community Relations	-	-	7,220	7,220
Fundraisers	-	-	19,764	19,764
Supplies, Printing, and Mailing	174	8,911	44,778	53,863
Communications	5,500	-	1,200	6,700
Insurance	5,753	7,537	30,538	43,828
Repairs and Maintenance	467	11,377	665	12,509
	<u>4,185,506</u>	<u>465,913</u>	<u>302,267</u>	<u>4,953,686</u>
Total Expenses by Function	<u>\$ 4,185,506</u>	<u>\$ 465,913</u>	<u>\$ 302,267</u>	<u>\$ 4,953,686</u>

See accompanying Notes to Financial Statements.

**NORTHWEST FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 6,409,538	\$ 120,729
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	69,748	70,851
Net Unrealized and Realized Investment Gain	(8,563,627)	(133,142)
Loss on Sale of Property and Equipment	1,721	-
Contributions Restricted for Endowment	(1,192,460)	(1,281,215)
Change in Value of Annuity Liabilities	(9,092)	107,498
Change in Present Value of Interest Rate Swap	(149,306)	142,070
Permanently Endowed Charitable Gift Annuity Liabilities	(17,510)	(45,198)
Change in Value of Charitable Remainder Trusts	(351,055)	30,533
(Increase) Decrease in Assets:		
Contributions Receivable	(119,958)	492,586
Interest Receivable	(43,024)	28,334
Cash Surrender Value	(22,864)	(24,030)
Increase (Decrease) in Liabilities:		
Accounts Payable	12,272	(286,099)
Deferred Revenue	(6,850)	45,500
Deposits Held for Others	(15,053)	27,023
Net Cash Used by Operating Activities	(3,997,520)	(704,560)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	6,963,428	6,536,301
Purchase of Investments	(5,173,138)	(7,214,004)
Principal Payment on Note Receivable	406,916	387,797
Charitable Remainder Trust Contributions	(44,400)	-
Capital Expenditures	(3,000)	(8,200)
Proceeds from Sale of Property and Equipment	423,280	-
Net Cash Provided (Used) by Investing Activities	2,573,086	(298,106)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Contributions Restricted for Endowments	1,422,016	1,516,653
Payments of Annuity Obligations	(68,565)	(69,095)
Principal Payments on Bonds	(595,000)	(480,000)
Net Cash Provided by Financing Activities	758,451	967,558
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(665,983)	(35,108)
Cash and Cash Equivalents - Beginning of Year	2,412,638	2,447,746
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,746,655	\$ 2,412,638

See accompanying Notes to Financial Statements.

**NORTHWEST FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>CASH AND CASH EQUIVALENTS</b>		
Cash	\$ 875,917	\$ 1,193,853
Cash Equivalents	576,166	934,379
Cash Restricted for Debt Obligations	294,572	284,406
Total Cash and Cash Equivalents	\$ 1,746,655	\$ 2,412,638
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for:		
Interest	\$ 186,159	\$ 226,122
Taxes	\$ 2,244	\$ -
 <b>SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITY</b>		
Contributed Securities	\$ 557,312	\$ 100,871
Noncash Contributions	\$ 92,316	\$ 134,033

See accompanying Notes to Financial Statements.

**NORTHWEST FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Northwest Foundation, Inc. (the Foundation) is organized for strictly educational, charitable, benevolent, cultural, scientific, and nonprofit purposes. Its general purpose shall be for the promotion of the welfare, goals, and programs of Northwest Missouri State University (the University) in Maryville, Missouri.

The mission of the Foundation is to encourage, receive, invest, manage, steward, and disburse private support on behalf of the donors of the University, for the benefit of the University, its students, faculty, staff, and alumni. Established in 1971, the Foundation operates independently of the University as a separate 501(c)(3) nonprofit corporation governed by its own board of directors. The Foundation is considered a component unit of the University in the University's financial reporting entity.

**Basis of Accounting**

The financial statements of Northwest Foundation, Inc. have been prepared on the accrual basis of accounting.

**Description of Program and Supporting Services**

The following program and supporting services are included in the accompanying financial statements:

**Support of Northwest Missouri State University**

The Foundation supports the University through scholarships and support of programs and operations with and without restriction.

**Management and General**

Management and general includes the functions necessary to manage the individual funds of the Foundation, including monitoring and investing assets, administering the programs of the Foundation, and managing the financial responsibilities of the Foundation.

**Fundraising**

Fundraising provides the structure necessary to encourage and secure private financial support from individuals and corporations.

**Net Assets**

The Foundation reports information regarding its financial position and activities according to two classes of net assets – net assets without donor restrictions and net assets with donor restrictions.

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets (Continued)**

*Net Assets Without Donor Restrictions* – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions. Net assets designated by the governing board are included as a component of net assets without donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates. Significant estimates incorporated in the financial statements include: the allowance for uncollectible pledges and notes receivable; the discount for pledges to be received in future periods; the useful lives used to calculate depreciation expense; the functional allocation of expenses. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Foundation considers all cash and highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Restrictions on Cash and Cash Equivalents**

Included in cash on the statements of financial position is \$294,572 and \$284,406 as of June 30, 2021 and 2020, respectively, held in a debt service fund for payment of scheduled principal, interest and fees payments on the Series 2008 bonds.

Certificates of deposit required by the donor to be held in a separate bank account totaled \$114,398 and \$370,043 as of June 30, 2021 and 2020, respectively.

**Contributions and Contributions Receivable**

Unconditional promises to give are recorded as revenues or gains in the period received and as assets or a decrease of liabilities, depending on the form of the benefits received. Conditional contributions received are accounted for as a liability or are unrecognized initially, that is, until the barriers to entitlement are overcome, and a right of return or release are no longer present, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions.

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions and Contributions Receivable (Continued)**

All contributions are considered to be available for the general programs of the Foundation unless specifically restricted by the donor. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, reclassifications are made from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

The Foundation capitalizes donated collection items and recognizes them as revenue at their estimated fair values at the date of donation.

The Foundation records various types of in-kind support. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses or property and equipment, if capitalized. Additionally, the Foundation receives contributed time that does not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

The Foundation uses the allowance method for uncollectible accounts. Contributed support receivable is recorded at the amount the Foundation expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances considered uncollectible. Based on past experience and current expectations, management has concluded that uncollectible balances outstanding at June 30, 2021 and 2020 will be immaterial.

**Investments and Investment Return**

Investments in equity and debt securities having a readily determinable fair value are carried at fair value. Other investments, notably investments classified as alternative investments, are generally valued at net asset value which is the reported value provided by or on behalf of the investment fund, which valuations are prepared in accordance with such investment fund's governing documents. Management considers this a reliable representation of fair value if the investment fund is accepting subscriptions and processing redemptions based on this reported value. Because of the inherent uncertainty of valuation of investments in alternative investment funds, the estimated fair values used for these investments may differ significantly from values that will eventually be realized upon an actual liquidation of the investment and such differences could be material.

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments and Investment Return (Continued)**

Investment return includes dividend, interest and other investment income and realized and unrealized gains and losses on investments, less investment fees.

The Foundation maintains pooled investment accounts. The total pooled earnings and realized and unrealized gains or losses are allocated quarterly based on the percentage of fund balance of each individual fund to the total of all the funds. Earnings allocated to nonendowed funds are credited to the University Venture Fund. Investment return on donor-restricted endowment investment assets are reported as increases or decreases in net assets with donor restrictions until appropriated by the Foundation.

**Property and Equipment**

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment are valued at historical cost, when available. The Foundation evaluates the recoverability of the carrying value of long-lived assets when events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the assets, the asset cost is adjusted to the fair value and an impairment loss is recognized as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Expenditures for additions and betterments greater than \$5,000 are capitalized, while expenditures for maintenance and repairs which do not improve or extend the life of the assets are charged to expense as incurred.

Depreciation on assets has been provided over the estimated useful lives, ranging from five to thirty years, of the respective assets on the straight-line basis.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Donated services, software costs and certain occupancy costs are the primary costs that are allocated based on the estimated number of hours that staff spend on each of the program and supporting service activities.

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

The Foundation is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is not considered to be a private foundation. The Foundation follows the standard for evaluating uncertain tax positions and has determined no liability should be recorded for uncertain tax positions.

**NOTE 2 CHANGE IN ACCOUNTING PRINCIPLE**

Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2018-13 *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU removes and modifies disclosure requirements retrospectively for non-public entities. The ASU is effective for fiscal years beginning after December 15, 2019 with early adoption permitted.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Company adopted the requirements of the guidance effective July 1, 2020, and has elected to apply the provisions of this standard to the beginning of the period of adoption. There was no material impact to net assets as of July 1, 2020.

**NOTE 3 CONTRIBUTIONS RECEIVABLE**

Contributions receivable at June 30, 2021 and 2020 are as follows:

	2021	2020
Within One Year	\$ 2,663,270	\$ 2,106,077
In One to Five Years	3,310,583	3,880,167
Over Five Years	985	98,192
Total	\$ 5,974,838	\$ 6,084,436

Contributions receivable due in more than one year are reflected at the present value of estimated future cash flows using discount rates ranging from 0.43% to 1.89% and totaled \$204,306 and \$295,839 at June 30, 2021 and 2020, respectively.



**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 4 INVESTMENTS**

Investments are presented at fair value, except for certificates of deposit that are valued at cost. Equity securities and bonds are considered held for trading purposes, whereas certificates of deposit are held to maturity.

Investments are composed of the following at June 30:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Certificates of Deposit	\$ 114,398	\$ 114,398	\$ 370,043	\$ 370,043
Mutual Funds:				
Equity:				
Domestic	5,632,324	9,795,682	7,054,322	8,963,347
International	3,337,828	4,639,309	3,893,598	4,036,480
Fixed Income:				
Core	3,513,471	3,489,564	2,713,004	2,774,726
Unconstrained	1,462,008	1,484,298	1,270,656	1,265,533
Global	900,030	359,390	500,030	507,764
Short-Term	1,458,088	1,444,263	1,649,479	1,595,824
Alternate Investments:				
Equity	8,150,475	14,554,009	8,272,014	10,888,353
Fixed Income	5,096,814	6,050,224	5,181,871	5,749,856
Private Equity Partnership	1,391,156	2,031,619	898,711	1,100,847
Fixed Income Limited Partnerships	1,312,500	1,312,500	1,312,500	1,249,146
Total	<u>\$ 32,369,092</u>	<u>\$ 45,275,256</u>	<u>\$ 33,116,228</u>	<u>\$ 38,501,919</u>

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 4 INVESTMENTS (CONTINUED)**

The following chart summarizes the relationship between cost and market values of investment assets:

	Cost	Market	Excess of Market Over (Under) Cost
<u>June 30, 2021</u>			
Balance at End of Year	\$ 32,369,092	\$ 45,275,256	\$ 12,906,164
Less:			
Balance at Beginning of Year	33,116,228	38,501,919	5,385,691
Current Year Change in Unrealized Gain			7,520,473
Realized Net Gain for the Year			1,043,154
Total Net Gain for the Year			\$ 8,563,627
 <u>June 30, 2020</u>			
Balance at End of Year	\$ 33,116,228	\$ 38,501,919	\$ 5,385,691
Less:			
Balance at Beginning of Year	31,627,684	37,691,074	6,063,390
Current Year Change in Unrealized Loss			(677,699)
Realized Net Gain for the Year			810,841
Total Net Gain for the Year			\$ 133,142

Investment returns consisted of the following for the years ended June 30:

	2021	2020
Interest and Dividends	\$ 766,210	\$ 808,290
Realized Gains	1,043,154	810,841
Unrealized Gains/(Losses)	7,520,473	(677,699)
Investment Fees	(134,042)	(126,057)
Net Investment Return	\$ 9,195,795	\$ 815,375

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 5 FINANCIAL INSTRUMENTS**

**Fair Value Measurements**

The following table presents the Foundation's assets and liabilities and related valuation inputs within the fair value hierarchy utilized to measure fair value on a recurring basis:

	Fair Value	Level 1	Level 2	Level 3	Investments Measured at Net Asset Value
<u>June 30, 2021</u>					
Assets:					
Mutual Funds	\$ 21,212,506	\$ 21,212,506	\$ -	\$ -	\$ -
Alternative Investments:					
Equity	14,554,009	-	-	-	14,554,009
Fixed Income	6,050,224	-	-	-	6,050,224
Private Equity LP	2,031,619	-	-	-	2,031,619
Fixed Income LP	1,312,500	-	-	-	1,312,500
Total Investments at Fair Value	45,160,858	21,212,506	-	-	23,948,352
Investments Not Required to be Reported at Fair Value:					
Investments - Other Certificates of Deposit	114,398	-	-	-	-
Total Investments	45,275,256	21,212,506	-	-	23,948,352
Beneficial Interest in Charitable Remainder Trusts	2,634,781	-	2,634,781	-	-
Total Assets	<u>\$ 47,910,037</u>	<u>\$ 21,212,506</u>	<u>\$ 2,634,781</u>	<u>\$ -</u>	<u>\$ 23,948,352</u>
Liabilities:					
Derivative - Synthetic Fixed Interest Rate Swap on Bonds Payable	\$ 279,692	\$ -	\$ 279,692	\$ -	\$ -
Liabilities for Annuity Contracts	835,113	-	-	835,113	-
Total Liabilities	<u>\$ 1,114,805</u>	<u>\$ -</u>	<u>\$ 279,692</u>	<u>\$ 835,113</u>	<u>\$ -</u>
<u>June 30, 2020</u>					
Assets:					
Mutual Funds	\$ 19,143,674	\$ 19,143,674	\$ -	\$ -	\$ -
Alternative Investments:					
Equity	10,888,353	-	-	-	10,888,353
Fixed Income	5,749,856	-	-	-	5,749,856
Private Equity LP	1,100,847	-	-	-	1,100,847
Fixed Income LP	1,249,146	-	-	-	1,249,146
Total Investments at Fair Value	38,131,876	19,143,674	-	-	18,988,202
Investments Not Required to be Reported at Fair Value:					
Investments - Other Certificates of Deposit	370,043	-	-	-	-
Total Investments	38,501,919	19,143,674	-	-	18,988,202
Beneficial Interest in Charitable Remainder Trusts	2,239,326	-	2,239,326	-	-
Total Assets	<u>\$ 40,741,245</u>	<u>\$ 19,143,674</u>	<u>\$ 2,239,326</u>	<u>\$ -</u>	<u>\$ 18,988,202</u>
Liabilities:					
Derivative - Synthetic Fixed Interest Rate Swap on Bonds Payable	\$ 428,998	\$ -	\$ 428,998	\$ -	\$ -
Liabilities for Annuity Contracts	930,280	-	-	930,280	-
Total Liabilities	<u>\$ 1,359,278</u>	<u>\$ -</u>	<u>\$ 428,998</u>	<u>\$ 930,280</u>	<u>\$ -</u>

**NORTHWEST FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 5 FINANCIAL INSTRUMENTS (CONTINUED)**

**Fair Value Measurements (Continued)**

FASB Accounting Standards Codification 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

*Level 1* – The fair values of investments are based on quoted market prices of the shares held by the Foundation at year-end.

*Level 2* – Inputs are those that are observable, either directly or indirectly, for the asset or liability other than quoted prices included in Level 1. Level 2 financial instruments include:

- The synthetic fixed interest rate swap is based on an income valuation model determined by calculating the present value of the future expected cash flows using discount factors based on market interest rates.
- The Foundation's interest in the trust assets and the specified future distributions is recorded at fair value as a beneficial interest held in trust using actuarial assumptions based on the donors' life expectancy and a discount rate of 1.2% and 0.6% at June 30, 2021 and 2020, respectively.

*Level 3* – The liabilities for annuity contracts are not actively traded and significant other observable inputs are not available. Thus, the fair value of liabilities subject to annuity agreements is calculated each June 30 as the present value of the payments to the annuitant over the actuarially determined life expectancy of the annuitant at 1.2% and 0.6% at June 30, 2021 and 2020, respectively.

The following table provides further details of the Level 3 fair value measurements. Liabilities for annuity contracts:

	<u>2021</u>	<u>2020</u>
Balance - Beginning of Year	\$ 930,280	\$ 937,075
Change in Value of Annuity Liabilities	(9,092)	107,498
Expiration of Donor Contract	(17,510)	(45,198)
Payments to Annuitants	(68,565)	(69,095)
Balance - End of Year	<u>\$ 835,113</u>	<u>\$ 930,280</u>

**NORTHWEST FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 5 FINANCIAL INSTRUMENTS (CONTINUED)**

**Fair Value Measurements (Continued)**

Investments in alternative investments are generally valued at the reported value provided by or on behalf of the investment fund, which valuations are prepared in accordance with such investment fund's governing documents. Management considers this a reliable representation of fair value if the investment fund is accepting subscriptions and processing redemptions based on this reported value.

Because of the inherent uncertainty of valuation of investments in alternative investment funds, the estimated fair values used for these investments may differ significantly from values that will eventually be realized upon an actual liquidation of the investment, and such differences could be material.

Investments for which fair value is measured using net asset value per share as a practical expedient have not been categorized within the fair value hierarchy.

The following investments, valued at Net Asset Value as a practical expedient, may impose restrictions on the Foundation's ability to respond quickly to changes in market conditions. In addition, certain of these investment vehicles may have provisions for extended initial periods during which withdrawals are restricted ("lock-up" periods). The following table provides details of redemption restrictions of such assets held at June 30, 2021 and 2020.

Investment	Fair Value Determined Using NAV		Investment Strategy	Unfunded Commitments	Redemption Terms	Redemption Restrictions
	2021	2020				
Salient MLP Total Return TE Fund	\$ 1,232,575	\$ 852,257	Energy Master Limited Partnerships	None	Weekly	No lockup provisions
Thirteen Partners Offshore, Ltd.	1,774,353	1,650,721	Long/Short Equity Fund of Funds	None	Semi-Annual with 95 Days Notice	Two-year lockup provision expired December 31, 2017
Commonfund Multi- Strategy Equity Fund Total	<u>11,547,081</u> <u>\$ 14,554,009</u>	<u>8,385,375</u> <u>\$ 10,888,353</u>	Multi-Strategy Equity Fund of Funds	None	Monthly with 5 Days Notice	No lockup provisions
Ironwood International, Ltd.	1,991,941	1,810,466	Multi-Strategy Equity Fund of Funds	None	Semi-Annual with 95 Days Notice	One-year lockup provision expired December 31, 2016
Commonfund Multi- Strategy Bond Fund Total	<u>4,058,283</u> <u>\$ 6,050,224</u>	<u>3,939,390</u> <u>\$ 5,749,856</u>	Multi-Strategy Income Fund of Funds	None	Monthly with 5 Days Notice	No lockup provisions

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 5 FINANCIAL INSTRUMENTS (CONTINUED)**

**Fair Value Measurements (Continued)**

Investment	Fair Value Determined Using NAV		Investment Strategy	Unfunded Commitments	Redemption Terms/Restrictions
	2021	2020			
Commonfund Global Private Equity Partners 2014	\$ 1,167,748	\$ 871,128	Private Equity	\$ 142,500	The term of the fund is 12 years with one three-year extension. The partnership is scheduled to terminate on February 4, 2026 unless terminated earlier or extended by the general partner in accordance with the partnership agreement.
Legacy Venture IX, LLC	787,706	229,719	Private Equity	380,000	The term of the fund will approximate 12 years with option of three additional one-year extensions. Partners may not withdraw from the fund.
Legacy Venture X, LLC	76,165	-	Private Equity	920,000	The term of the fund will approximate 12 years with option of three additional one-year extensions. Partners may not withdraw from the fund.
Total	<u>\$ 2,031,619</u>	<u>\$ 1,100,847</u>		<u>\$ 1,442,500</u>	
Golub Capital Partners 10, L.P.	\$ 875,000	\$ 834,571	Distressed Debt Private Equity	\$ 875,000	90% of capital commitments expected to be drawn by 18 months after final closing. Principal will be re-invested for 5.5 years from final closing date. Final closing date was January 1, 2017. The term of the fund is 10 years from the closing date, subject to a two-year extension. Profits are distributed quarterly.
Golub Capital Partners 11, L.P.	437,500	414,575	Distressed Debt Private Equity	437,500	90% of capital commitments expected to be drawn by 18 months after final closing. Principal will be re-invested for 5.5 years from final closing date. Final closing was July 1, 2018. The term of the fund is 10 years from the closing date, subject to a two-year extension. Profits are distributed quarterly.
Total	<u>\$ 1,312,500</u>	<u>\$ 1,249,146</u>		<u>\$ 1,312,500</u>	

The stock market is subject to significant volatility that could directly impact the unrealized gain or loss on investments held by the Foundation. The potential effect of the market adjustments could have a material effect on carrying values of investments held by the Foundation.

**NORTHWEST FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 5 FINANCIAL INSTRUMENTS (CONTINUED)**

**Fair Value Measurements (Continued)**

Fair values of assets and liabilities measured on a nonrecurring basis are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
<u>June 30, 2021</u>				
Long-Lived Asset Held and Used (Land)	\$ -	\$ 206,000	\$ -	\$ 206,000
<u>June 30, 2020</u>				
Long-Lived Asset Held and Used (Land)	\$ -	\$ 203,000	\$ -	\$ 203,000
Land Held for Sale	-	425,000	-	425,000
Total	\$ -	\$ 628,000	\$ -	\$ 628,000

**Level 2 Fair Value Measurements**

Land has been valued using a market approach. The values were determined by an appraisal on February 8, 2019, using market prices of similar real estate assets. The fair value of the land is included in property and equipment on the statements of financial position.

The following is a summary of market value technique for ending balances of assets and liabilities, measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the years ending June 30:

Instrument	<u>Fair Value</u>		Principal Valuation Technique	Inputs
	<u>2021</u>	<u>2020</u>		
Liabilities for Annuity Contracts	\$ 835,113	\$ 930,280	Net Present Value	Life Expectancy and Discount Rate

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 6 PROPERTY AND EQUIPMENT**

The details of the property and equipment are as follows:

	With Donor Restrictions	Without Donor Restrictions	Less Accumulated Depreciation	Net Book Value
<u>June 30, 2021</u>				
Haderlein Farm	\$ 58,500	\$ -	\$ -	\$ 58,500
Land	-	206,000	-	206,000
Faust Center	-	1,541,537	420,687	1,120,850
House - 718 College Ave.	-	224,499	104,111	120,388
House - 720 College Ave.	-	115,272	74,112	41,160
House 714 College Ave.	-	252,678	126,197	126,481
Furniture and Equipment	-	1,725	1,725	-
Foundation Vehicles	-	21,492	21,492	-
Collections	-	144,450	-	144,450
Total Net Asset by Type	<u>\$ 58,500</u>	<u>\$ 2,507,653</u>	<u>\$ 748,324</u>	<u>\$ 1,817,829</u>

	With Donor Restrictions	Without Donor Restrictions	Less Accumulated Depreciation	Net Book Value
<u>June 30, 2020</u>				
Haderlein Farm	\$ 58,500	\$ -	\$ -	\$ 58,500
Land	-	203,000	-	203,000
Faust Center	-	1,541,537	372,339	1,169,198
House - 718 College Ave.	-	224,499	96,622	127,877
House - 720 College Ave.	-	115,272	70,093	45,179
House 714 College Ave.	-	252,678	117,685	134,993
Furniture and Equipment	-	1,725	1,725	-
Foundation Vehicles	-	21,492	20,111	1,381
Collections	-	144,450	-	144,450
Total Net Asset by Type	<u>\$ 58,500</u>	<u>\$ 2,504,653</u>	<u>\$ 678,575</u>	<u>\$ 1,884,578</u>

The Haderlein farm is required to be held in perpetuity for use by the University for agricultural purposes.

**NOTE 7 LAND HELD FOR SALE**

At June 30, 2020, the Foundation was in negotiations with a third-party to sell land at an agreed-upon sales price of \$425,000. During 2021, the sale was completed, and a loss of \$1,721 was recognized in the Statement of Activities.



**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 8 SPLIT INTEREST AGREEMENTS**

**Charitable Gift Annuities**

The charitable gift annuity is a contract between a donor and a charitable organization under which, in consideration of the donor's irrevocable gift of money or property to the Foundation, the Foundation promises to pay a fixed amount annually to the annuitant for life. The liability is the present value of the payments based on the life expectancy of the donor at the date of the gift. The portion of the annuity attributable to the future interest of the Foundation is recorded at fair value in the statements of activities as contributions without donor restrictions or contributions with donor restrictions in the period the annuity is established, depending on the donor's stipulation for use of the gift. On an annual basis, the Foundation reviews the need to revalue the liability to the designated beneficiaries based on actuarial assumptions. The changes in actuarial assumptions resulted in revaluations of a loss of \$9,092 and a gain of \$107,498 for the years ended June 30, 2021 and 2020, respectively. The present value of the estimated future payments is calculated using a discount rate of 1.2% and 0.6% in 2021 and 2020, respectively, and applicable mortality tables.

For income tax purposes of the donor, the transfer for an annuity is considered to be part gift and part purchase of the annuity.

The balance of the liability for annuity contracts as of June 30, 2021 and 2020, was \$835,113 and \$930,280, respectively. Interest expense amounted to \$89,953 and \$91,120 for fiscal years 2021 and 2020, respectively.

**Charitable Remainder Trusts**

A beneficial interest in irrevocable rights to charitable remainder unit trusts is recorded when a donor establishes and funds a trust with specified distributions to be made to the donor and/or other beneficiaries over the trust's term. The Foundation will receive the amounts remaining in the charitable remainder unit trust at the end of the trusts' stated term.

The Foundation is not the trustee and does not hold the trust assets. The Foundation's interest in the trust assets and the specified future distributions is recorded at fair value as a beneficial interest held in trust using actuarial assumptions. Based on the donors' life expectancy and a discount rate of 1.2% and 0.6% for 2021 and 2020, respectively, the fair value of the future benefits expected to be received by the Foundation was recorded as net assets without donor restrictions or net assets with donor restrictions based on the terms of the donors' agreements. Subsequent changes in the fair value of the charitable remainder unit trust receivable are recognized in the statements of activities. At June 30, 2021 and 2020, the beneficial interests in charitable remainder unit trusts totaled \$2,634,781 and \$2,239,326, respectively.

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 9 BONDS PAYABLE**

In 2003, Variable Rate Demand Educational Facilities Revenue Bonds Series 2002 in the amount of \$4,455,000 were issued to finance construction of the University stadium. The bonds mature on November 1, 2032, and had a variable interest rate of 1.35% at inception with a maximum of 12%. Interest is paid monthly and totaled \$1,313 and \$20,973 for years ended June 30, 2021 and 2020, respectively. The bonds will be repaid from the collection of donor pledges and the sale of stadium seating. The bonds can be redeemed prior to maturity at the option of the Foundation. The balance is \$1,575,000 and \$1,775,000 at June 30, 2021 and 2020, respectively. As a part of the bond financing agreement, the Foundation signed a letter of credit and Reimbursement Agreement dated November 1, 2002. The letter of credit and Reimbursement Agreement was amended on December 1, 2009, requiring principal repayments in an amount of \$100,000 on or before the first business day of November of each odd-numbered year and \$200,000 on or before the first business day of November of each even-numbered year and to call such bonds for redemption in accordance with the provisions of the Indenture. These bonds are also subject to certain affirmative and negative covenants. Management believes the Foundation is in compliance with all covenants at June 30, 2021 and 2020. The letter of credit was most recently renewed on April 1, 2020, and now expires May 20, 2023.

In fiscal year 2009, Variable Rate Demand Educational Facilities Revenue Bonds Series 2008 in the amount of \$7,675,000 were issued to finance the construction of the University's Studio Theatre and Valk Center renovations. The bonds mature on November 1, 2028, and had a variable interest rate of 3.5% at inception with a maximum 12%. Interest is paid monthly and totaled \$95,529 and \$110,876 for fiscal years 2021 and 2020, respectively. The balance is \$3,815,000 and \$4,210,000 at June 30, 2021 and 2020, respectively. The University signed a loan agreement with the Foundation for \$7,675,000, payable in monthly installments at 5.5% interest which is to be used for principal, interest, and letter of credit fees. The obligations of the University are payable from annual appropriation of revenues for the year plus unencumbered balances for previous years. On November 15th of each year, the Foundation will refund to the University any payments received in excess of actual costs. The amount of the excess at June 30, 2021 and 2020 was estimated at \$29,586 and \$41,185, respectively, and is reported as accounts payable on the statements of financial position.

As part of the bond financing agreement, the Foundation signed a letter of credit and Reimbursement Agreement dated December 1, 2009. The letter of credit was most recently renewed on April 1, 2018, and now expires May 20, 2023. Under the amendments, the foundation has agreed to certain affirmative and negative covenants. Management believes that the Foundation is in compliance with all covenants at June 30, 2021 and 2020.

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 9 BONDS PAYABLE (CONTINUED)**

Maturities of bonds payable are as follows:

<u>Year Ending June 30.</u>	<u>Bonds</u>		<u>Total</u>
	<u>Series 2002</u>	<u>Series 2008</u>	
2022	\$ 100,000	\$ 415,000	\$ 515,000
2023	200,000	430,000	630,000
2024	100,000	445,000	545,000
2025	200,000	465,000	665,000
2026	100,000	485,000	585,000
Thereafter	875,000	1,575,000	2,450,000
Total	<u>\$ 1,575,000</u>	<u>\$ 3,815,000</u>	<u>\$ 5,390,000</u>

**NOTE 10 DERIVATIVES**

In March of 2009, as a means to lower its borrowing costs in the long term and increase its savings when compared to fixed-rate refunding bonds at the time of the swap, the Foundation entered into an interest rate swap in connection with its \$7,675,000 Variable Rate Demand Educational Facilities Revenue Bonds, Series 2008. The intention of the swap agreement was to effectively change the Foundation's interest rate on the bonds to a synthetic fixed rate of 2.5%.

*Terms:* The swap agreement matures on the same date as the bonds, November 1, 2028, and the swap's notional amount of \$7,675,000 matched the \$7,675,000 variable-rate bonds. Starting in fiscal year 2010, the notional value of the swap and the principal amount of the associated debt decline concurrently. The balance of both is \$3,815,000 and \$4,210,000 at June 30, 2021 and 2020, respectively. Under the swap, the Foundation pays the counterparty a fixed payment of 2.5% and receives a variable payment computed at 68% of the London Interbank Offer Rate (LIBOR). Conversely, the bonds' variable-rate coupons are associated with the Securities Industry and Financial Markets Association Swap Index (SIFMA).

*Fair Value:* Because long term interest rates have decreased since inception of the swap, the swap has a negative fair value of \$279,692 and \$428,998 at June 30, 2021 and 2020, respectively. The swap's negative fair value may be countered by a decrease in total interest payments required under the variable rate bonds, creating a lower synthetic rate. Because the coupons on the Foundation's variable-rate bonds are adjusted every seven days to changing interest rates, the bonds do not have a corresponding fair value decrease. The mark-to-market valuations were established by market quotations from the counterparty representing estimates of the amounts that would be paid for replacement transactions.

*Credit Risk:* As of June 30, 2021 and 2020, the Foundation is not exposed to credit risk as the fair value of the swap is negative. The swap counterparty was rated A1 by Moody's Investor Service (Moody's).

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 10 DERIVATIVES (CONTINUED)**

*Basis Risk:* The swap exposes the Foundation to basis risk should the relationship between LIBOR and SIFMA diverge, changing the synthetic rate on the bonds. The effect of this difference in basis is indicated by the difference between the intended synthetic rate of 2.5% and the synthetic rate as of June 30, 2021 and 2020 of 2.42971% and 2.38424%, respectively. As of June 30, 2021, the rate on the Foundation's bonds was 0.02% whereas 68% of LIBOR was 0.09029%. As of June 30, 2020, the rate on the Foundation's bonds was 0.10% whereas 68% of LIBOR was 0.21576%.

*Termination Risk:* The Foundation or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. An additional termination event occurs if the counterparty rating falls below Baa3 (Moody's) or BBB- (Standard & Poor's). The counterparty may terminate the swap if the letter of credit is revoked on the underlying bonds and a suitable replacement letter of credit is not found. Termination can be avoided upon posting of collateral until a replacement letter of credit is obtained. Also, if at the time of termination, the swap has a negative fair value, the Foundation would be liable to the counterparty for a payment equal to the swap's fair value.

**Swap Payments and Associated Debt**

Using rates as of June 30, 2021, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for the term of the bonds, were as follows.

As rates vary, variable-rate bond interest payments and net swap payments will vary.

<u>Year Ending June 30,</u>	<u>Variable Rate Bond</u>		<u>Interest Rate Swap, Net</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>		
2022	\$ 415,000	\$ 680	\$ 81,930	\$ 497,610
2023	430,000	594	71,568	502,162
2024	445,000	505	60,845	506,350
2025	465,000	412	49,640	515,052
2026	485,000	315	37,953	523,268
2027-2029	1,575,000	323	38,917	1,614,240
Total	<u>\$ 3,815,000</u>	<u>\$ 2,829</u>	<u>\$ 340,853</u>	<u>\$ 4,158,682</u>

**NORTHWEST FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 10 DERIVATIVES (CONTINUED)**

**Swap Payments and Associated Debt (Continued)**

Using rates as of June 30, 2020 debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for the term of the bonds, were as follows.

As rates vary, variable-rate bond interest payments and net swap payments will vary.

<u>Year Ending June 30.</u>	<u>Variable Rate Bond</u>		<u>Interest Rate Swap, Net</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>		
2021	\$ 395,000	\$ 3,815	\$ 87,144	\$ 485,959
2022	415,000	3,400	77,664	496,064
2023	430,000	2,970	67,842	500,812
2024	445,000	2,525	57,677	505,202
2025	465,000	2,060	47,055	514,115
2026-2029	2,060,000	3,190	72,867	2,136,057
Total	<u>\$ 4,210,000</u>	<u>\$ 17,960</u>	<u>\$ 410,249</u>	<u>\$ 4,638,209</u>

**NOTE 11 NET ASSETS WITH BOARD RESTRICTIONS**

The Foundation's Venture Fund (Fund) functions as the Foundation's unrestricted reserve. The general purpose of the Fund is to help to ensure the long-term financial stability of the Foundation and position it to respond to varying economic conditions and changes affecting the Foundation's financial position. The Fund is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The Fund may also be used for one-time, non-recurring expenses that will build long-term capacity for the Foundation or the University. The Venture Fund is not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. The Fund shall carry a minimum balance sufficient to maintain ongoing operations and programs for 12 months as determined in the annual operating budget. The Fund serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. The total net assets with board restrictions were \$2,996,369 and \$-0- for the years ended June 30, 2021 and 2020, respectively, and are reported as net assets without donor restrictions on the statements of financial position.

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods.

	2021	2020
Subject to Expenditure for Specified Purpose:		
Hughes Fieldhouse	\$ 143,980	\$ 71,753
Agricultural Learning Center	136,729	3,339,370
Football Locker Room	88,958	-
Scholarships	2,917,802	2,460,517
Athletics	352,622	358,940
Academic Programs	1,504,898	1,448,638
Other	1,046,846	622,682
Contributions Receivable, the Proceeds from Which Have Been Restricted by Donors for:		
Hughes Fieldhouse	2,422,239	3,776,560
Agricultural Learning Center	1,801,490	1,575,195
Football Locker Room	354,121	-
Scholarships	32,600	47,225
Athletics	1,500	49,823
Academic Programs	1,075,000	116,700
Other	14,570	15,225
Total	11,893,355	13,882,628
Subject to the Passage of Time:		
Contributions Receivable That Are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	137,546	142,580
Beneficial Interest in Charitable Trusts Held by Others	2,634,782	2,239,327
Assets Held Under Split-Interest Agreements	809,576	809,576
Total	3,581,904	3,191,483
Endowments:		
Subject to Perpetual Restrictions		
Scholarships	22,537,615	21,321,407
Academic Programs	2,336,537	2,336,537
Athletics	16,069	16,069
Other	881,186	562,500
Subject to NFP Endowment Spending Policy and Appropriation:		
Scholarships	5,731,098	1,909,756
Academic Programs	1,340,942	789,000
Athletics	7,694	4,401
Other	137,569	24,891
Unconditional Promises to Give	135,622	360,978
Total Endowments	33,124,332	27,325,539
Not Subject to Spending Policy or Appropriation:		
Real Property to Be Held in Perpetuity	58,500	58,500
Investments Related to Real Property	13,432	11,014
Total	71,932	69,514
Total Net Assets with Donor Restrictions	\$ 48,671,523	\$ 44,469,164

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

	<u>2021</u>	<u>2020</u>
Expiration of Time Restrictions	\$ 5,034	\$ 14,504
Satisfaction of Purpose Restrictions:		
Hughes Fieldhouse payment	1,370,908	1,573,297
Agricultural Learning Center payment	3,970,000	56,500
Football Locker Room	1,125,213	-
Scholarships	302,152	359,767
Academic Programs	112,359	93,814
Athletics	368,253	145,246
Other	81,072	78,785
Total	<u>7,334,991</u>	<u>2,321,913</u>
Restricted-Purpose Spending-Rate		
Distributions and Appropriations:		
Scholarships	799,724	725,084
Academic Programs	65,939	70,215
Athletics	750	650
Other	5,214	5,652
General Use	494,270	514,511
Total	<u>1,365,897</u>	<u>1,316,112</u>
Total Net Assets Released from Donor Restrictions	<u>\$ 8,700,888</u>	<u>\$ 3,638,025</u>

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. These deficiencies result from unfavorable market fluctuations and continued appropriation for certain programs as instructed by the donors. In accordance with GAAP, there were no deficiencies of this nature that are reported in net assets without donor restrictions as of June 30, 2021 and 2020.

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 13 ENDOWMENTS**

The Foundation's endowment consists of approximately 370 individual donor-restricted endowment funds. The donor-restricted endowment funds are subject to the Missouri Uniform Management of Institutional Funds Act (UPMIFA).

The Foundation Board has interpreted the law as requiring the preservation of 75% of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation maintains in perpetuity (a) 75% of the original value of gifts donated to the permanent endowment and (b) 75% of the original value of subsequent gifts to the permanent endowment. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with 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 organization 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
- Other resources of the organization
- The investment policies of the organization

The Foundation has classified the endowment into two groups. Group A is defined by gift agreements that give the Foundation explicit permission to continue distributions from the fund even if the total fund value has fallen below the original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor. Group B is defined by gift agreements that give the Foundation explicit instruction not to expend the perpetually restricted gifts to the endowment.

The Foundation considers cash, cash equivalents, investments, and pledges receivable in determining its endowment net assets.

**Endowment Net Asset Composition by Type of Funds**

June 30, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount:			
Group A	\$ 57,732	\$ 23,807,072	\$ 23,864,804
Group B	464	1,964,335	1,964,799
Accumulated Investment Gains	-	7,352,925	7,352,925
Total	<u>\$ 58,196</u>	<u>\$ 33,124,332</u>	<u>\$ 33,182,528</u>



**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 13 ENDOWMENTS (CONTINUED)**

**Endowment Net Asset Composition by Type of Funds (Continued)**

June 30, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount:			
Group A	\$ 13,600	\$ 22,675,791	\$ 22,689,391
Group B	-	1,920,500	1,920,500
Accumulated Investment Gains	-	2,729,248	2,729,248
Total	<u>\$ 13,600</u>	<u>\$ 27,325,539</u>	<u>\$ 27,339,139</u>

**Changes in Endowment Net Assets**

June 30, 2021	Without Donor Restriction	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 13,600	\$ 27,325,539	\$ 27,339,139
Investment Return, Net	46,506	5,915,824	5,962,330
Contributions	-	1,179,730	1,179,730
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	(2,374)	(1,365,897)	(1,368,271)
Other Changes:			
Revenues from Exchange Transactions	885	-	885
Expenditure of Funds From Exchange Transactions	(421)	-	(421)
Transfers From Non-Endowed Funds	-	69,136	69,136
Endowment Net Assets - End of Year	<u>\$ 58,196</u>	<u>\$ 33,124,332</u>	<u>\$ 33,182,528</u>
June 30, 2020			
Endowment Net Assets - Beginning of Year	\$ 14,274	\$ 26,864,780	\$ 26,879,054
Investment Return, Net	433	444,635	445,068
Contributions	-	1,289,765	1,289,765
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	(462)	(1,316,112)	(1,316,574)
Other Changes:			
Revenues from Exchange Transactions	830	-	830
Expenditure of Funds From Exchange Transactions	(1,475)	-	(1,475)
Transfers From Non-Endowed Funds	-	42,471	42,471
Endowment Net Assets - End of Year	<u>\$ 13,600</u>	<u>\$ 27,325,539</u>	<u>\$ 27,339,139</u>

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 13 ENDOWMENTS (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 its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Foundation Board, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index 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 9% annually. Actual returns in any given year may vary from this amount.

*Strategies Employed 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 within prudent risk constraints.

*Spending Policy and How the Investment Objectives Relate to Spending Policy:* The Foundation has a policy of appropriating for distribution each year a base rate of 4.0% of its endowment fund's average fair value over the prior three years through the fiscal year-end preceding the fiscal year in which the distribution is planned. Unless otherwise provided in the gift agreement, the recommended distribution shall be calculated based on the following table.

<b>Percent of Total Fund Balance to Cumulative Gifts</b>	<b>Recommended Distribution Rate</b>
> 100%	Base Rate (4%)
< 100% but at least 90%	2%
> 90% but at least 75%	1%
Under 75%	Suspend Distributions

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 2.75% 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 provide additional real growth through new gifts and investment return.

A management fee of 1.65% and 1.75% was charged to all endowed funds for the years ended June 30, 2021 and 2020, respectively, resulting in fees of \$490,647 and \$500,002, respectively. This management fee is recognized within net assets released from restriction on the Statement of Activities.

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 14 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Foundation's primary sources of support are contributions and income from investing its endowment. Most of that support is required to be used in accordance with the purpose restrictions imposed by the donors. Donor-restricted support has historically funded the majority of program activities. In addition, the Foundation receives support without donor restriction. Such support has historically represented approximately 25% of the annual supporting activities, with the remainder funded by appropriated earnings from gifts with donor restrictions per the Foundation spending policy and by university support.

The Foundation manages its cash available to meet general expenditures by maintaining adequate liquid funds. The Board must approve the purchase of all investments that are not listed on the New York Stock Exchange, American Stock Exchange, or NASDAQ; are priced daily; and have a liquidity of more than one month. At June 30, 2021 and 2020, approximately 85% of cash and investments could be liquidated within one month. The Foundation can adjust the timing of disbursements to the University when necessary.

The table below represents financial assets available for general expenditures within one year at June 30:

	<u>2021</u>	<u>2020</u>
Financial Assets Available Within One Year:		
Without Donor Restrictions:		
Cash and Short-Term Investments	\$ 5,799,375	\$ 3,748,064
Contributions Receivable, No Purpose Restrictions	<u>113,546</u>	<u>15,580</u>
Total With Donor Restrictions	5,912,921	3,763,644
With Donor Restrictions:		
Cash and Short-Term Investments	3,775,237	6,265,838
Payout on Donor-Restricted Endowment for Use	988,800	1,001,500
Payout on Donor-Restricted Quasi-Endowments for Use in One Year	<u>102,800</u>	<u>88,050</u>
Total With Donor Restrictions	<u>4,866,837</u>	<u>7,355,388</u>
Total Financial Assets Available Within One Year	<u>\$ 10,779,758</u>	<u>\$ 11,119,032</u>

**NOTE 15 RELATED PARTY TRANSACTIONS**

*University Support:* Expenses in the statements of activities include approximately \$9,400,000 and \$4,200,000 of University support with and without restriction, which included approximately \$1,200,000 and \$1,115,000 for scholarships at June 30, 2021 and 2020, respectively. Contribution revenue in the statements of activities includes approximately \$14,000 and \$63,000 for Foundation expenses paid for by the University at June 30, 2021 and 2020, respectively. Payables to the University were \$74,396 and \$68,135 at June 30, 2021 and 2020, respectively.

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 15 RELATED PARTY TRANSACTIONS (CONTINUED)**

*Board and Employee Support:* Contributions receivable in the statement of financial position include approximately \$2,700,000 and \$3,100,000 from board members and University advancement staff at June 30, 2021 and 2020, respectively.

*Donated Services:* The University incurs expenditures for salaries, benefits, and operating expenses that benefit the Foundation in return for advancement, development, and alumni relation services. Employees' compensation and benefits totaling \$31,000 and \$37,000 for 2021 and 2020, respectively, were not reimbursed by the Foundation and are reported in management and general expense on the statements of activities. The terms of this relationship have been formalized in a written agreement between the Foundation and the University.

*Leases:* Beginning July 1, 2018, the Foundation and the University entered into new leases for two properties which require no annual lease payments. Should the University wish to purchase the properties, the purchase price has been fixed in the lease agreement. The leased properties had a carrying value of \$203,000 and \$628,000 at June 30, 2021 and 2020, respectively. No gift-in-kind contributions or expenses have been recognized in relation to the lease agreements, as the value exchanged is not considered to be material.

*Note Receivable:* The balance of the note receivable from the University for repayment of the Series 2008 revenue bonds was \$3,544,449 and \$3,951,365 at June 30, 2021 and 2020, respectively.

**NOTE 16 CONCENTRATION OF CREDIT RISK**

The Foundation maintains its cash balances in two financial institutions in Maryville, Missouri. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At various times during the year, the Foundation had uninsured deposits. The Foundation had uninsured deposits of approximately \$1,060,000 and \$830,000 at June 30, 2021 and 2020, respectively.

In addition, the Foundation invests in short-term investments that are reported as cash equivalents. In limited circumstances, the Securities Investor Protection Corporation (SIPC) provides up to \$500,000 of protection for brokerage accounts, including a limit of \$250,000 for claims of uninvested cash balances.

Approximately 48% of the Foundation's pledges receivable were from two donors for the year ended June 30, 2021. Approximately 39% of the Foundation's pledges receivable were from one donor for the year ended June 30, 2020. Approximately 28% of the Foundation's contributions at June 30, 2021 were from two donors. Approximately 17% of the Foundation's contributions at June 30, 2020 were from one donor.

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 17 COMMITMENTS AND CONTINGENCIES**

The Foundation is the beneficiary of life insurance policies with net death benefit values approximating \$1,952,000 at June 30, 2021 and 2020. The cash surrender value of these policies approximated \$338,768 and \$315,904 at June 30, 2021 and 2020, respectively.

In conjunction with the issuance of the 2008 bonds, the University signed a loan agreement to reimburse the Foundation for the bond principal, interest, and letter of credit fees. The obligations of the University are payable from annual appropriation of revenues for the year plus unencumbered balances for previous years. While the Foundation does not anticipate the University will not annually appropriate adequate revenues for payment of the debt, the bond covenant ratios would be adversely affected, potentially resulting in default, if the University's payments on the note receivable were not appropriated or received.

The Foundation's investment securities are exposed to various risks including interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect investment balances reported in the statements of financial position.

Contributions receivable include estimated valuations of the Foundation's beneficiary interest in estates that are holding assets pending liquidation. The recorded amount of the receivables could be materially affected if liquidation amounts realized vary significantly from the estimated values.

Unfunded investment commitments to limited partnerships totaled \$1,630,000 and \$1,163,500 at June 30, 2021 and 2020, respectively.

**Market Conditions**

Financial markets as a whole incur significant volatility. The values of individual investments fluctuate with market conditions, and the amount of investment losses or gains that the Foundation will recognize in its future financial statements, if any, cannot be determined.

**NOTE 18 RECLASSIFICATIONS**

Certain reclassifications of prior year amounts have been made to conform to the presentation adopted for the 2021 financial statements. There was no effect on the change of net assets or net asset balance for the year then ended 2020.

**NORTHWEST FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 19 SUBSEQUENT EVENTS**

Management evaluated subsequent events through October 28, 2021, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2021, but prior to October 28, 2021, that provided additional evidence about conditions that existed at June 30, 2021, have been recognized in the 2021 financial statements.

Subsequent to year-end, the Foundation entered into a new alternative investment with a \$2,000,000 total commitment, of which \$158,000 has been called as of October 28, 2021.

**NORTHWEST FOUNDATION, INC.**  
**STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN DEPOSITS HELD FOR OTHERS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**  
(SEE INDEPENDENT AUDITORS' REPORT)

	2021	2020
<b>REVENUE AND SUPPORT</b>		
Cash Contributions	\$ 65,816	\$ 95,323
Fundraisers	2,411	801
Total Revenue and Support	68,227	96,124
<b>EXPENSES</b>		
Food and Beverages	-	6,791
University Support	78,126	56,357
Premiums and Gifts	2,733	5,443
Professional Services	-	510
Grants and Assistantships	2,411	-
Miscellaneous	10	-
Total Expenses	83,280	69,101
<b>EXCESS (DEFICIENCY) OF REVENUE AND SUPPORT OVER EXPENSES</b>	(15,053)	27,023
Deposits Held for Others - Beginning of Year	102,537	75,514
<b>DEPOSITS HELD FOR OTHERS - END OF YEAR</b>	\$ 87,484	\$ 102,537