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Northwood Technical College Foundation, Inc. (A Nonprofit Organization)

Financial Statements

Years Ended June 30, 2023 and 2022

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Northwood Technical College Foundation, Inc.

Financial Statements

Years Ended June 30, 2023 and 2022

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Independent Auditor's Report

Board of Directors
Northwood Technical College Foundation, Inc.
Rice Lake, Wisconsin

Opinion

We have audited the accompanying financial statements of Northwood Technical College Foundation, Inc. (the "Foundation"), a nonprofit organization, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northwood Technical College Foundation, Inc. as of June 30, 2023 and 2022, 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 ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Northwood Technical College Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northwood Technical College Foundation, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Northwood Technical College Foundation, Inc.'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 Northwood Technical College Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Wipfli LLP

Wipfli LLP

Eau Claire, Wisconsin
November 2, 2023

Northwood Technical College Foundation, Inc.

Statements of Financial Position

June 30, 2023 and 2022

<i>Assets</i>	2023	2022
Current assets:		
Cash and cash equivalents	\$ 505,096	\$ 360,538
Accounts receivable	3,601	4,099
Total current assets	508,697	364,637
Investments	5,334,958	5,068,755
TOTAL ASSETS	\$ 5,843,655	\$ 5,433,392
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Accounts payable	\$ 56,251	\$ 45,941
Net assets:		
Without donor restrictions		
Designated for alumni development	17,533	16,181
Designated for institutional support	199,206	115,382
Designated for operating reserve	(33,485)	42,326
Designated for professional development/continuing education	100	-
Designated for student assistance	1,145	-
Designated for scholarships and support	21,966	14,072
Total net assets without donor restrictions	206,465	187,961
With donor restrictions	5,580,939	5,199,490
Total net assets	5,787,404	5,387,451
TOTAL LIABILITIES AND NET ASSETS	\$ 5,843,655	\$ 5,433,392

See accompanying notes to financial statements.

Northwood Technical College Foundation, Inc.

Statements of Activities

Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:						
Contributions	\$ 152,304	\$ 255,918	\$ 408,222	\$ 248,792	\$ 292,333	\$ 541,125
Interest, dividends, and realized gain on investments	61,509	248,449	309,958	53,066	225,627	278,693
In-kind contributions	78,488	-	78,488	83,905	-	83,905
Unrealized gain (loss) on investments	20,758	85,865	106,623	(197,429)	(839,424)	(1,036,853)
Net assets released from restrictions	305,495	(305,495)	-	437,418	(437,418)	-
Total revenues, gains, and other support	618,554	284,737	903,291	625,752	(758,882)	(133,130)
Expenses:						
Program services	305,649	-	305,649	450,034	-	450,034
Management and general	151,249	-	151,249	147,581	-	147,581
Fund-raising and special events	46,440	-	46,440	51,864	-	51,864
Total expenses	503,338	-	503,338	649,479	-	649,479
Transfers	(96,712)	96,712	-	(7,790)	7,790	-
Change in net assets	18,504	381,449	399,953	(31,517)	(751,092)	(782,609)
Net assets - Beginning of year	187,961	5,199,490	5,387,451	219,478	5,950,582	6,170,060
Net assets - End of year	\$ 206,465	\$ 5,580,939	\$ 5,787,404	\$ 187,961	\$ 5,199,490	\$ 5,387,451

See accompanying notes to financial statements.

Northwood Technical College Foundation, Inc.

Statements of Functional Expenses

Years Ended June 30, 2023 and 2022

2023	Program Services	Management and General	Fund-Raising and Special Events	Total
Scholarships and student support	\$ 266,454	\$ -	\$ -	\$ 266,454
Ambassador program	1,433	-	-	1,433
Distinguished alumni program	137	-	-	137
Staff development program	212	3,520	-	3,732
Institutional support	37,413	-	-	37,413
Fund-raising and special events	-	-	3,282	3,282
Alumni/development staff	-	49,712	-	49,712
Professional fees	-	5,848	-	5,848
Board/committee expense	-	3,066	-	3,066
Contracted services	-	3,050	-	3,050
Supplies	-	3,343	-	3,343
Postage	-	30	-	30
Insurance and fees	-	4,840	-	4,840
Miscellaneous	-	42,510	-	42,510
In-kind expenses	-	35,330	43,158	78,488
Totals	\$ 305,649	\$ 151,249	\$ 46,440	\$ 503,338

2022	Program Services	Management and General	Fund-Raising and Special Events	Total
Scholarships and student support	\$ 324,624	\$ -	\$ -	\$ 324,624
Ambassador program	1,497	-	-	1,497
Staff development program	-	9,839	-	9,839
Institutional support	123,223	-	-	123,223
Fund-raising and special events	-	-	3,825	3,825
Alumni/development staff	-	54,264	-	54,264
Professional fees	-	12,116	-	12,116
Board/committee expense	-	1,425	-	1,425
Contracted services	-	3,000	-	3,000
Supplies	-	3,277	-	3,277
Postage	-	339	-	339
Insurance and fees	-	6,287	-	6,287
Miscellaneous	-	21,858	-	21,858
In-kind expenses	690	35,176	48,039	83,905
Totals	\$ 450,034	\$ 147,581	\$ 51,864	\$ 649,479

See accompanying notes to financial statements.

Northwood Technical College Foundation, Inc.

Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022
Change in cash:		
Cash flows from operating activities:		
Change in net assets	\$ 399,953	\$ (782,609)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Unrealized loss (gain) on investments	(106,623)	1,036,853
Interest, dividends, and realized gain on investments	(314,833)	(302,325)
Contributions restricted for long-term purposes	(27,625)	(41,794)
Investment fees paid	5,253	23,632
Changes in operating assets and liabilities:		
Accounts receivable	498	4,096
Accounts payable	10,310	(10,799)
Total adjustments	(433,020)	709,663
Net cash used in operating activities	(33,067)	(72,946)
Cash flows from investing activities:		
Proceeds from sale of investments	150,000	150,000
Cash flows from financing activities:		
Proceeds from contributions restricted for investments in permanent endowment	27,625	41,794
Net change in cash	144,558	118,848
Cash and cash equivalents - Beginning of year	360,538	241,690
Cash and cash equivalents - End of year	\$ 505,096	\$ 360,538

See accompanying notes to financial statements.

Northwood Technical College Foundation, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

The Entity

The Northwood Technical College Foundation, Inc. (the "Foundation") is an organization of area community leaders, faculty, and administrators dedicated to providing opportunities for scholarships, staff development, program improvement, and capital needs of Northwood Technical College. Its goal is to not only support students in a financial way, but also to support the advancement and enrichment of campus life as a whole. The Foundation's primary funding source is donor contributions and investment earnings.

Basis of Accounting

The Foundation's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying financial statements in accordance with GAAP requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Cash and Cash Equivalents

The Foundation considers all cash and cash equivalents with an original maturity of three months or less and that are not held by investment managers as part of an investment portfolio to be cash equivalents.

Investments

Investment securities are carried at fair value. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Interest, dividends, and realized and unrealized gains and losses are recorded in the period earned as increases or decreases in net assets without donor restrictions unless the use of the assets received is limited by donor-imposed restrictions.

Gains and investment earnings that are limited to specific uses by donor-imposed restrictions are recorded as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the gains and earnings are recognized.

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

Northwood Technical College Foundation, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Depreciation

Equipment and furniture are treated as expenditures in the year of acquisition. The total amount of equipment and furniture acquired in any given year is not material. Northwood Technical College provides most of the equipment and furniture used by the Foundation.

Income Taxes

The Foundation is a not-for-profit organization organized under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income tax on related income pursuant to Section 501(a) of the code. The Foundation is also exempt from state income taxes pursuant to similar state of Wisconsin tax laws.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Revenue from exchange transactions: The Foundation recognizes revenue in accordance with FASB ASU 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

Functional Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Northwood Technical College Foundation, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Net Assets

Net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation are classified and reported as follows:

- Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions. Board designations, which are voluntary, board-approved segregations of net assets for specific purposes, projects, or investments, are also a part of net assets without donor restrictions.
- Net assets with donor restrictions - Net assets that are subject to donor-imposed stipulations that either expire by the passage of time or can be fulfilled or otherwise removed by actions of the Foundation pursuant to those stipulations, and net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation.

In-Kind Contributions

The Foundation has recorded in-kind contributions for salaries and fringe benefits of Northwood Technical College employees used in operations as well as a percentage of the cost of the financial accounting system used in operations in the statement of activities in accordance with a financial accounting standards which requires only contributions of services received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. Total amount of in-kind contributions recognized were \$78,488 and \$83,905 as of June 30, 2023 and 2022.

Change in Accounting Policy

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). ASU 2016-02 is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases on the balance sheet. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements. The Foundation has no leases that are required to be recorded under ASU 2016-02.

Northwood Technical College Foundation, Inc.

Notes to Financial Statements

Note 2: Fair Value Measurements

Accounting standards provide the 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 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

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 asset measured at fair value. There have been no changes in the methodologies used as of June 30, 2023 and 2022.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Equity securities: Valued using quoted market prices using pricing information provided by the Foundation's investment manager.

Fixed income and debt securities: Valued at market prices using pricing information provided by the Foundation's investment manager.

Northwood Technical College Foundation, Inc.

Notes to Financial Statements

Note 2: Fair Value Measurements (Continued)

Information regarding assets measured at fair value on a recurring basis as of June 30, 2023 and 2022, is as follows:

Assets at Fair Value as of June 30, 2023

	Level 1	Level 2	Level 3	Total Fair Value
Investments at fair value:				
Fixed income and debt securities	\$ 1,168,864	\$ -	\$ -	\$ 1,168,864
Mutual funds:				
Money market	365,061	-	-	365,061
Equity securities	2,652,840	-	-	2,652,840
Fixed income and debt securities	1,072,825	-	-	1,072,825
Alternative investments	75,368	-	-	75,368
Total investments at fair value	\$ 5,334,958	\$ -	\$ -	\$ 5,334,958

Assets at Fair Value as of June 30, 2022

	Level 1	Level 2	Level 3	Total Fair Value
Investments at fair value:				
Fixed income and debt securities	\$ 573,766	\$ -	\$ -	\$ 573,766
Mutual funds:				
Money market	135,824	-	-	135,824
Equity securities	2,519,183	-	-	2,519,183
Fixed income and debt securities	1,728,095	-	-	1,728,095
Alternative investments	111,887	-	-	111,887
Total investments at fair value	\$ 5,068,755	\$ -	\$ -	\$ 5,068,755

The methods described and shown above for fair value calculations may produce a fair value calculation that may be different from the net realizable value or not reflective of future values expected to be received. The Foundation believes that its valuation methods are appropriate and consistent with other market participants; however, the use of these various methodologies and assumptions may produce results that differ in the estimates of fair value at the financial reporting date.

Northwood Technical College Foundation, Inc.

Notes to Financial Statements

Note 3: Investments

Investments at June 30 are summarized as follows:

	2023		2022	
	Cost	Carrying Value	Cost	Carrying Value
Fixed income and debt securities	\$ 1,175,426	\$ 1,168,864	\$ 577,190	\$ 573,766
Mutual funds:				
Money market	365,061	365,061	135,824	135,824
Equity securities	1,346,408	2,652,840	1,307,535	2,519,183
Fixed income and debt securities	1,162,228	1,072,825	1,838,630	1,728,095
Alternative investments	41,154	75,368	72,486	111,887
Totals	\$ 4,090,277	\$ 5,334,958	\$ 3,931,665	\$ 5,068,755

Return on investments consists of the following at June 30:

	2023	2022
Unrealized gains (losses)	\$ 106,623	\$ (1,036,853)
Realized gains	212,369	203,998
Interest and dividend income	102,842	98,327
Investment fees	(5,253)	(23,632)
Totals	\$ 416,581	\$ (758,160)

Northwood Technical College Foundation, Inc.

Notes to Financial Statements

Note 4: Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at June 30:

	2023	2022
Subject to appropriation and expenditure when a specific event occurs:		
Professional development	\$ 5,629	\$ 5,619
Continuing education	55,499	54,878
Capital and equipment	55,075	50,433
Scholarships	144,746	146,897
Institutional support	1,643	3,625
Student assistance	104,118	104,783
	366,710	366,235
Endowments:		
Subject to appropriation and expenditure when a specific event occurs:		
Restricted by donors for:		
Professional development	11,496	26,030
Scholarships	286,118	100,977
Capital and equipment	968	580
Student assistance	144,353	105,882
	442,935	233,469
Original donor-restricted gift amount and amounts to be maintained in perpetuity	4,771,294	4,599,786
Total net assets with donor restrictions	\$ 5,580,939	\$ 5,199,490

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or other events specified by the donors as follows for the years ended June 30:

	2023	2022
Satisfaction of purpose restrictions:		
Professional development	\$ 3,025	\$ 8,370
Scholarships and support	249,522	288,941
Institutional support	33,082	97,584
Student assistance	19,866	42,523
	\$ 305,495	\$ 437,418
Total net assets released from donor restrictions	\$ 305,495	\$ 437,418

Northwood Technical College Foundation, Inc.

Notes to Financial Statements

Note 5: Endowments

The Foundation's endowments consist of 206 individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with the endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation 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 classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation 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: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and fixed income securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution, while growing the funds if possible. Therefore, the Foundation expects its endowment assets, over time, to produce an average annual real rate of return of the Consumer Price Index (CPI) + 3-4%, net of fees. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The spending policy for the Foundation is directed by the Board of Directors. The principal of an endowed fund will be invested for a period of 12 months before any disbursements will be made from interest income. No more than 5% of an endowment will be distributed annually. Administrative expenses, legal, tax, accounting, and investment advisory fees will be paid from the operating fund and are not included in the amount designated for disbursement.

Northwood Technical College Foundation, Inc.

Notes to Financial Statements

Note 5: Endowments (Continued)

Endowments that are donor restricted consisted of the following at June 30:

As of June 30, 2023 and 2022, the Foundation had the following endowment net asset composition.

	With Donor Restrictions	
	2023	2022
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 4,771,294	\$ 4,599,786
Underwater endowments	(16,753)	(111,641)
Accumulated investment gains	459,688	345,110
Total Endowment	\$ 5,214,229	\$ 4,833,255

From time to time, certain donor-restricted endowments funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. At June 30, 2023 and June 30, 2022, there were 30 and 104 underwater endowments in the amount of \$16,753 and \$111,641 respectively.

Changes in endowment net assets for the years ended June 30 consisted of the following:

	With Donor Restrictions	
	2023	2022
Endowment net assets at beginning of year	\$ 4,833,255	\$ 5,559,972
Investment return	287,853	(613,797)
Contributions	69,579	75,602
Transfers	143,883	7,790
Appropriation of endowment assets for expenditures	(120,341)	(196,312)
Endowment net assets at end of year	\$ 5,214,229	\$ 4,833,255

Northwood Technical College Foundation, Inc.

Notes to Financial Statements

Note 6: Contributed Nonfinancial Assets

Contributed nonfinancial assets consist of the following:

<i>Years Ended June 30,</i>	2023	2022
Services	\$ 78,488	\$ 83,905

Contributed services recognized are comprised of salaries and fringes, rent, and financial software annual fees. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

The Foundation recognizes contributed nonfinancial assets within revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Note 7: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2023	2022
Cash and cash equivalents	\$ 505,096	\$ 360,538
Accounts receivable	3,601	4,099
Investments	5,334,958	5,068,755
Total financial assets	5,843,655	5,433,392
Less those unavailable for general expenditure within one year, due to:		
Restricted by donor with time or purpose restrictions	(5,580,939)	(5,199,490)
Financial assets available to meet cash needs for general expenditures within one year	\$ 262,716	\$ 233,902

The Foundation does not have a formal liquidity policy but generally strives to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

As part of its informal liquidity management plan, the Foundation invests cash in excess of daily requirements in short-term investments, CDs, and money market funds.