

NORTH DAKOTA STATE COLLEGE OF SCIENCE FOUNDATION
Wahpeton, North Dakota

AUDITED FINANCIAL STATEMENTS
June 30, 2023

NORTH DAKOTA STATE COLLEGE OF SCIENCE FOUNDATION
Wahpeton, North Dakota

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
North Dakota State College of Science Foundation
Wahpeton, North Dakota

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the North Dakota State College of Science Foundation, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the North Dakota State College of Science Foundation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 the North Dakota State College of Science Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the North Dakota State College of Science Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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 the North Dakota State College of Science Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Dakota State College of Science Foundation's ability to continue as a going concern for a reasonable period of time.

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

Other Matter

We have previously audited the North Dakota State College of Science Foundation's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our reported dated September 14, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Plant Assets 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.



Nadine Julson, LLC
Wahpeton, North Dakota
September 12, 2023

NORTH DAKOTA STATE COLLEGE OF SCIENCE FOUNDATION
Wahpeton, North Dakota

STATEMENT OF FINANCIAL POSITION
June 30, 2023

	2023	(For Comparative Purposes Only) 2022
ASSETS		
Current Assets		
Cash in Checking - Bank of North Dakota	\$ 497,843	\$ 907,047
Money Markets	564,437	1,528,104
Equity Securities	28,283,321	26,224,076
Current Portion of Pledges Receivable	2,303,440	2,303,679
Current Portion of Accounts Receivable	1,248	50,201
Current Portion of Loans Receivable	25,782	32,322
Less Allowances for Uncollectible Loans	(12,895)	(15,696)
Prepaid Expenses	-	6,330
Total Current Assets	31,663,176	31,036,063
Property, Plant, and Equipment		
Land and Land Improvements	6,612,795	6,612,795
Buildings	1,709,138	1,709,138
Construction in Progress	10,591,302	5,683,127
Less Accumulated Depreciation	(673,642)	(620,238)
Total Property, Plant, and Equipment	18,239,593	13,384,822
Non-Current Assets		
Pledges Receivable, net of current portion	5,075,140	6,160,742
Loans Receivable, net of current portion	135,357	169,688
Less Allowances for Uncollectible Loans	(74,386)	(89,094)
Total Non-Current Assets	5,136,111	6,241,336
Total Assets	55,038,880	50,662,221
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	1,583,088	504,641
Deferred Revenue	1,500,000	1,547,500
Short-Term Note Payable	2,953,283	1,409,759
Due to NDSCS	-	45,000
Total Current Liabilities	6,036,371	3,506,900
Long-Term Liabilities		
Liabilities Under Charitable Trusts	452,319	429,536
Total Long-Term Liabilities	452,319	429,536
Total Liabilities	6,488,690	3,936,436
Net Assets		
Without Donor Restrictions	2,146,340	1,976,622
With Donor Restrictions	46,403,850	44,749,163
Total Net Assets	48,550,190	46,725,785
Total Liabilities and Net Assets	\$ 55,038,880	\$ 50,662,221

See Notes to Financial Statements

NORTH DAKOTA STATE COLLEGE OF SCIENCE FOUNDATION
Wahpeton, North Dakota

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	2023			(For Comparative Purposes Only) 2022
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE, GAINS, AND OTHER SUPPORT				
Gifts and Bequests	\$ 1,017,972	\$ 544,958	\$ 1,562,930	\$ 3,258,832
Rent Income	285,036	-	285,036	273,910
Operations, Fees, and Miscellaneous	489,108	403,314	892,422	1,116,080
Investment Income, net	89,208	2,341,634	2,430,842	(4,004,060)
Change in Split-Interest Agreements	-	(76,125)	(76,125)	34,727
Net Assets Released from Restriction	1,559,094	(1,559,094)	-	-
Total Revenue, Gains, and Other Support	3,440,418	1,654,687	5,095,105	679,489
EXPENSES				
Program Services	2,479,150	-	2,479,150	1,806,190
Administration	717,131	-	717,131	604,127
Fundraising	74,419	-	74,419	58,787
Total Expenses	3,270,700	-	3,270,700	2,469,104
CHANGE IN NET ASSETS	169,718	1,654,687	1,824,405	(1,789,615)
NET ASSETS, BEGINNING OF YEAR	1,976,622	44,749,163	46,725,785	48,515,400
NET ASSETS, END OF YEAR	\$ 2,146,340	\$ 46,403,850	\$ 48,550,190	\$ 46,725,785

See Notes to Financial Statements

NORTH DAKOTA STATE COLLEGE OF SCIENCE FOUNDATION
Wahpeton, North Dakota

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	2023				(For Comparative Purposes Only) 2022
	Program Services	Administration	Fundraising	Total	
Salaries	\$ 5,500	\$ 374,386	\$ -	\$ 379,886	\$ 290,520
Fringe Benefits	389	165,945	-	166,334	122,115
Postage and Printing	9,133	59,549	5,258	73,940	44,252
Office Equipment	-	3,330	-	3,330	1,335
Office Supplies	187	18,385	-	18,572	21,414
Bank Charges and Investment Fees	2,829	12,943	21	15,793	47,163
Supplies	35,215	3,960	1,583	40,758	28,362
Insurance	18,839	17,901	-	36,740	23,851
Depreciation	53,404	-	-	53,404	53,404
Advertising	12,383	972	-	13,355	11,948
Professional Fees	6,288	14,576	-	20,864	26,002
Fees	34,183	940	10	35,133	3,120
Dues and Memberships	525	1,137	-	1,662	5,832
Taxes and Licenses	9,603	4,888	3,000	17,491	7,235
Interest	27,935	-	-	27,935	41,020
Awards and Grants	1,055,924	-	-	1,055,924	610,036
Miscellaneous	16,499	12,737	8,108	37,344	11,084
Equipment Rental	25,600	3,844	-	29,444	25,735
Banquets and Meetings	27,009	13,073	37,658	77,740	54,629
Scholarship	1,116,531	-	-	1,116,531	992,390
Travel	653	8,263	253	9,169	14,491
Contract Services	20,521	302	18,528	39,351	33,166
Total Functional Expenses	\$ 2,479,150	\$ 717,131	\$ 74,419	\$ 3,270,700	\$ 2,469,104

See Notes to Financial Statements

NORTH DAKOTA STATE COLLEGE OF SCIENCE FOUNDATION
Wahpeton, North Dakota

STATEMENT OF CASH FLOWS
Year Ended June 30, 2023

	<u>2023</u>	<u>(For Comparative Purposes Only) 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,824,405	\$ (1,789,615)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Depreciation	53,404	53,404
Net (Gain) Loss on Investments, realized and unrealized	(2,610,434)	5,872,798
Changes in Assets and Liabilities		
Pledges Receivable	1,085,841	942,026
Accounts Receivable	48,953	1,549,508
Prepaid Expense	6,330	(6,330)
Accounts Payable	1,078,447	480,528
Deferred Revenue	(47,500)	(55,000)
Short-Term Note	1,543,524	(10,996)
Split-Interest Agreements	22,783	(36,053)
Due to NDSCS	(45,000)	(50,000)
Net Cash Flows from Operating Activities	<u>2,960,753</u>	<u>6,950,270</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan Receivable	23,362	15,857
Proceeds from Sale of Investments	10,161,237	16,576,911
Purchase of Investments	(9,610,048)	(17,169,107)
Payments for Capital Projects	(4,908,175)	(4,733,159)
Net Cash Flows from Investing Activities	<u>(4,333,624)</u>	<u>(5,309,498)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,372,871)	1,640,772
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,435,151</u>	<u>794,379</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,062,280</u>	<u>\$ 2,435,151</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW STATEMENT		
Interest Paid	\$ 50,443	\$ 41,020

See Notes to Financial Statements

NORTH DAKOTA STATE COLLEGE OF SCIENCE FOUNDATION
Wahpeton, North Dakota

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the North Dakota State College of Science Foundation (the “Organization”) is presented to assist in understanding the Organization’s financial statements. The financial statements and notes are representations of the Organization’s management who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of Organization

The North Dakota State College of Science Foundation, Wahpeton, North Dakota was organized on April 14, 1988, as a non-profit entity for the purpose of receiving and maintaining funds received from the public for the betterment of the North Dakota State College of Science through scholarships, awards, student loans, grants, and to improve the general well-being of this education institution.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

The Organization essentially has access to its cash resources on demand. Accordingly, the Organization considers all highly liquid debt instruments purchased with a maturity of one year or less to be cash equivalents for the purpose of the Statements of Cash Flows.

Pledges Receivable

Pledges receivable relating to the annual fundraising campaign that are expected to be collected within one year are recorded at their net realizable values. Promises to give relating to the challenge fund that are expected to be collected in future years have not been discounted, as the amount is insignificant.

Conditional promises to give are not included as support until such time as the conditions are substantially met.

As of June 30, 2023, \$825,836 of contributions receivable have been matched by the State of North Dakota. The Organization is required to pay the State of North Dakota for any shortfall in these collections of pledges or gift agreements. Management is not aware of any specific uncollectible promises to give associated with the Challenge Grant program.

Beneficial Interest in Perpetual Trusts

Perpetual trusts are held by a third party under an arrangement where the Organization has an irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The trust assets, which are primarily publicly traded, are recorded at fair value at the gift date as beneficial interest in the trust and contribution income under permanently restricted support. Annual distributions are reported as investment income.

Living Trusts, Testamentary Trusts and Gift Annuities

The assets in living trusts, testamentary trusts and gift annuities are recorded at fair value at the inception of the trust or annuity and a liability is recorded to reflect the net present value of the expected future payments to the beneficiary.

The annuity and life income obligations are determined annually to reflect the change in life expectancy of the donor/beneficiary as well as expected payments to be made under the agreement. Investment income and distributions to beneficiaries increase or decrease the assets and the related obligation.

NORTH DAKOTA STATE COLLEGE OF SCIENCE FOUNDATION
Notes to Financial Statements – Continued

The remainder interest is recorded as a contribution to the Organization or an increase in amounts held on behalf of others, depending on the terms of the agreement.

Property, Equipment, and Depreciation

The cost of property and equipment is depreciated over the estimated useful lives of the related assets. The depreciation method used is straight-line depreciation with a useful life of 15-39 years for property and 7 for equipment. Depreciation expense amounted to \$53,404 and \$53,404 for the years ending June 30, 2023 and 2022, respectively.

Loans Receivable

Loans receivable includes outstanding student loans from prior lending programs. Management determines the allowance for uncollectible loans by identifying troubled accounts and by using historical experience applied to the accounts. Loans are serviced by the North Dakota University System Student Loan Service Center. Allowances for uncollectible loans of \$87,281 has been established as of June 30, 2023.

Use of Estimates

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

Deferred Revenue

Deferred revenue consists of funds received for programs in which the expenses will be incurred in a future period or for sponsorships of future special events. The revenue will be recognized in applicable future periods when the services are provided, and the related expenses are incurred or when the event occurs.

Advertising Costs

Advertising costs are expensed as incurred. Total costs were \$13,355 and \$11,948 for the years ended June 30, 2023 and 2022, respectively.

Basis of Presentation

The Organization follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Not-for-Profit Entities topic 958. The topic establishes standards for external financial reporting by not-for-profit Organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories, net assets without donor restrictions and net assets with donor restrictions, according to externally (donor) imposed restrictions. The topic also requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

Donated Assets

Donated property, marketable securities, and other non-cash donations are recorded as contributions at their estimated market value at the date of the donation. Such donations are reported as net assets without donor restrictions 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. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions when the restriction has been fulfilled.

NOTE 2 – CONCENTRATION OF CREDIT RISK

The Organization maintains deposits at several banks that are members of the Federal Reserve Systems. At June 30, 2023 and 2022, the Organization's deposits were adequately insured.

Cash balances maintained at financial institutions may exceed federally insured limits. The Organization monitors the health of these banking institutions. Historically, the Organization has not experienced any credit-losses.

NOTE 3 – INVESTMENTS

The Organization maintains accounts consisting of securities with one stock brokerage firm. The Organization's securities investments that are bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading securities are recorded at fair value on the balance sheet in current assets, with the change in fair value during the period included in earnings.

NOTE 4 – FAIR VALUE MEASUREMENT

Fair Value Measurements and Disclosures topic 820, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy are described below:

- | | |
|---------|---|
| Level 1 | Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date. |
| Level 2 | Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: <ul style="list-style-type: none">- quoted prices for similar assets or liabilities in active markets;- quoted prices for identical or similar assets in markets that are not active;- observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and- inputs derived principally from, or corroborated by, observable market data by correlation or by other means. |
| Level 3 | Unobservable inputs for the asset or liability should be used to measure the fair value to the extent that the observable inputs are not available. |

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counter party credit risk in its assessment of fair value.

The following is a description of the valuation methodologies used for assets measured at fair value:

Equity mutual funds, bond mutual funds, and equity securities – Valued at the closing price reported on the active market on which the individual securities are traded.

Money market funds, bond securities, and real estate funds – Value is based on prices currently available on comparable securities.

There were no changes to the valuation techniques used during the period.

NORTH DAKOTA STATE COLLEGE OF SCIENCE FOUNDATION
Notes to Financial Statements – Continued

Financial assets are carried at fair value as of June 30, 2023 and 2022 and are classified in the tables below in one of the three categories described above. Assets at fair value as of June 30, 2023 and are as follows:

Description	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 497,843	\$ -	\$ -	\$ 497,843
Money Market Funds	564,437	-	-	564,437
Fixed Income Securities	-	9,417,423	-	9,417,423
Equity Securities	18,851,917	-	-	18,851,917
Miscellaneous Assets	-	13,981	-	13,981
Total Assets at Fair Value	\$ 19,914,197	\$ 9,431,404	\$ -	\$ 29,345,601

NOTE 5 – COMPARATIVE INFORMATION

The accompanying financial statements include certain prior-year comparative information in total but not by net asset class or functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the June 30, 2022, from which the summarized information was derived.

NOTE 6 – FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing services have been summarized on a functional basis in the Statement of Activities and detailed in the Statement of Functional Expenses. Accordingly, certain costs and expenditures have been allocated between program and supporting services based on management's estimates.

NOTE 7 – NOTES PAYABLE

The Organization maintains a line of credit with Bell Bank for a construction project. The Organization's maximum borrowing limit on the line of credit is \$12,500,000. At June 30, 2023, \$9,546,717 was available for borrowing on the line of credit. At June 30, 2023 the interest rate was 2.25% and the maturity date of the note was July 27, 2026. The note is secured by real estate and investments.

NOTE 8 – INCOME TAXES

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. Management has determined that the Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990T) with the IRS.

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

NORTH DAKOTA STATE COLLEGE OF SCIENCE FOUNDATION
Notes to Financial Statements – Continued

NOTE 9 – RELATIONSHIP WITH COLLEGE

The Organization made contributions and payments to the College for the following purposes as of June 30, 2023:

Scholarships	\$ 1,116,531
Gifts and Contributions	<u>1,055,924</u>
Total	<u>\$ 2,172,455</u>

In exchange for services provided by the Organization to the North Dakota State College of Science, the Organization receives office space at no charge from the North Dakota State College of Science. The approximate fair market value is \$5,670. In addition, the College pays the Organization \$174,000 for the rent of STTC building and \$11,000 for parking lot lease.

The record keeping of the Organization is maintained through accounting and administrative services provided by the College. The approximate fair market value for these services is \$12,000. No amounts for these services have been recognized in the statement of activity.

The above related-party transactions are not necessarily indicative of the terms and amounts that would have been incurred had a comparable transaction been entered into with independent parties.

NOTE 10 – RETIREMENT PLANS

The Organization operates a Tax-Deferred Retirement defined contribution plan for all full-time employees. The cost of the retirement plan is paid currently and was \$44,824 and \$30,043 for the years ended June 30, 2023 and 2022, respectively.

NOTE 11 – ENDOWMENT

The Organization's endowments consist of approximately 30 funds established for a variety of purposes. Its endowments include both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments (quasi-endowments). As required by GAAP, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization manages its endowments on a pooled basis, under the direction of the Investment Committee, and earnings on the pooled investments are allocated on a pro rata basis to each of the funds.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor restrictions to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts, (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization 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 Organization, and (7) the Organization's investment policies.

NORTH DAKOTA STATE COLLEGE OF SCIENCE FOUNDATION
Notes to Financial Statements – Continued

Changes in endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions
Endowment Net Assets, beginning of year	\$ 917,736	\$ 23,238,256
Investment Return, net	62,587	1,050,537
Contributions	-	743,329
Appropriation of Endowment Assets for Expenditure	(37,815)	(1,109,892)
Endowment Net Assets, end of year	<u>\$ 942,508</u>	<u>\$ 23,922,230</u>

NOTE 12 – PROMISES TO GIVE

Unconditional promises to give are estimated to be collected as follows at June 30, 2023:

Within One Year	\$ 2,303,440
In One to Five Years	4,675,140
Over Five Years	<u>400,000</u>
Total	<u>\$ 7,378,580</u>

Approximately \$5,500,000 of the gross unconditional pledges at June 30, 2023 was due from three donors.

NOTE 13 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 12, 2023, the date in which the financial statements were available to be issued. The Organization estimates that the total cost to complete the CIC Building will be approximately \$23 million. The Organization estimates that additional grants and donations will cover \$19.5 million of the \$23 million to complete.

NORTH DAKOTA STATE COLLEGE OF SCIENCE FOUNDATION
Wahpeton, North Dakota

SCHEDULE OF PLANT ASSETS
June 30, 2023

	<u>Date Acquired</u>	<u>Cost</u>	<u>Prior Depreciation</u>	<u>Depreciation</u>	<u>Balance</u>
LAND & LAND IMPROVEMENTS					
723 5th Street N.	8/1/1987	\$ 20,000	\$ 14,540	\$ -	\$ 5,460
723 7th Street N.	2/29/2000	24,500	5,680	-	18,820
Curry Farm Land	3/31/1999	115,988	-	-	115,988
Parking Lot Land	2/8/2005	26,042	-	-	26,042
Parking Lot	8/10/2011	143,695	112,482	9,580	21,633
720 5th Street N.	8/13/2014	40,100	-	-	40,100
CIC Land 64th Ave.	3/5/2021	6,242,470	-	-	6,242,470
		<u>6,612,795</u>	<u>132,702</u>	<u>9,580</u>	<u>6,470,513</u>
BUILDING					
STTC Building	5/3/2011	1,709,138	487,536	43,824	1,177,778
CONSTRUCTION IN PROGRESS					
CIC Construction in Progress	6/30/2021	10,591,302	-	-	10,591,302
		<u>\$ 18,913,235</u>	<u>\$ 620,238</u>	<u>\$ 53,404</u>	<u>\$ 18,239,593</u>

See Independent Auditor's Report