

**ROGUE COMMUNITY COLLEGE FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024
WITH
INDEPENDENT AUDITOR'S REPORT**





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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rogue Community College Foundation
Grants Pass, Oregon

Opinion

We have audited the accompanying financial statements of Rogue Community College Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 the Foundation as of June 30, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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.

KDP Certified Public Accountants, LLP

KDP Certified Public Accountants, LLP
Medford, Oregon
September 19, 2025



ROGUE COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 514,061	\$ 44,516
Prepaid expenses	14,018	6,147
Unconditional promises to give due in one year, net	10,500	6,500
Total current assets	538,579	57,163
Non-current assets:		
Student loans receivable, Whitaker Fund	121,292	118,726
Investments	19,884,415	15,915,459
Charitable remainder trust	267,174	254,372
Property and equipment, net	-	1,057
Real property	59,577	59,577
Total non-current assets	20,332,458	16,349,191
TOTAL ASSETS	\$ 20,871,037	\$ 16,406,354
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable	\$ 947,495	\$ 19,963
Accrued paid time off	12,035	1,653
Total current liabilities	959,530	21,616
Long-term liabilities:		
Liability under trust agreement	104,501	106,399
Agency obligations, Whitaker Fund	1,302,098	1,224,735
Total long-term liabilities	1,406,599	1,331,134
Total liabilities	2,366,129	1,352,750
Net Assets:		
Without donor restrictions	4,212,363	3,613,953
With donor restrictions	14,292,545	11,439,651
Total net assets	18,504,908	15,053,604
TOTAL LIABILITIES AND NET ASSETS	\$ 20,871,037	\$ 16,406,354

**ROGUE COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT:			
Contributions and grants	\$ 76,142	\$ 2,928,616	\$ 3,004,758
In-kind donations	157,285	-	157,285
Investment income, net	667,219	1,053,406	1,720,625
Change in value of charitable trust, net of liability	-	4,589	4,589
Administrative assessments	323,964	(176,096)	147,868
Net assets released from restrictions	985,464	(985,464)	-
	2,210,074	2,852,894	5,062,968
EXPENSES:			
Program services:			
Scholarships	947,298	-	947,298
College projects	94,516	-	94,516
College support	33,720	-	33,720
	1,075,534	-	1,075,534
Support services:			
Management and general	312,211	-	312,211
Fundraising	223,919	-	223,919
	536,130	-	536,130
Total expenses	1,611,664	-	1,611,664
CHANGE IN NET ASSETS	598,410	2,852,894	3,451,304
NET ASSETS AT BEGINNING OF YEAR	3,613,953	11,439,651	15,053,604
NET ASSETS AT END OF YEAR	\$ 4,212,363	\$ 14,292,545	\$ 18,504,908

**ROGUE COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT:			
Contributions and grants	\$ 59,018	\$ 831,718	\$ 890,736
Contributed services and facilities	153,504	-	153,504
Investment income, net	595,952	1,116,476	1,712,428
Change in value of charitable trust, net of liability	-	(4,905)	(4,905)
Administrative assessments	212,166	(165,997)	46,169
Net assets released from restrictions	835,494	(835,494)	-
	<u>1,856,134</u>	<u>941,798</u>	<u>2,797,932</u>
EXPENSES:			
Program services:			
Scholarships	796,649	-	796,649
College projects	106,642	-	106,642
College support	23,831	-	23,831
	<u>927,122</u>	<u>-</u>	<u>927,122</u>
Support services:			
Management and general	132,691	-	132,691
Fundraising	220,908	-	220,908
	<u>353,599</u>	<u>-</u>	<u>353,599</u>
Total expenses	<u>1,280,721</u>	<u>-</u>	<u>1,280,721</u>
CHANGE IN NET ASSETS	575,413	941,798	1,517,211
NET ASSETS AT BEGINNING OF YEAR	<u>3,038,540</u>	<u>10,497,853</u>	<u>13,536,393</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,613,953</u>	<u>\$ 11,439,651</u>	<u>\$ 15,053,604</u>

**ROGUE COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2025 AND 2024**

2025

	Program Services			Support Services			Total	
	Scholarships	College Projects	College Support	Total Program Services	Management and General	Fundraising		Total Support Services
Expenses:								
Personnel costs	\$ 44,391	\$ 24,510	\$ 31,771	\$ 100,672	\$ 26,854	\$ 165,953	\$ 192,807	\$ 293,479
Office expenses	2,723	1,503	1,949	6,175	6,609	39,809	46,418	52,593
Administrative expenses	-	-	-	-	277,691	18,157	295,848	295,848
Scholarships and grants	900,184	68,503	-	968,687	-	-	-	968,687
Depreciation	-	-	-	-	1,057	-	1,057	1,057
Total expenses	\$ 947,298	\$ 94,516	\$ 33,720	\$ 1,075,534	\$ 312,211	\$ 223,919	\$ 536,130	\$ 1,611,664

2024

	Program Services			Support Services			Total	
	Scholarships	College Projects	College Support	Total Program Services	Management and General	Fundraising		Total Support Services
Expenses:								
Personnel costs	\$ 47,574	\$ 15,966	\$ 22,335	\$ 85,875	\$ 22,579	\$ 164,424	\$ 187,003	\$ 272,878
Office expenses	3,187	1,070	1,496	5,753	7,723	37,230	44,953	50,706
Administrative expenses	-	-	-	-	101,332	19,254	120,586	120,586
Scholarships and grants	745,888	89,606	-	835,494	-	-	-	835,494
Depreciation	-	-	-	-	1,057	-	1,057	1,057
Total expenses	\$ 796,649	\$ 106,642	\$ 23,831	\$ 927,122	\$ 132,691	\$ 220,908	\$ 353,599	\$ 1,280,721

See accompanying notes to the financial statements

**ROGUE COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets:	\$ 3,439,448	\$ 1,517,211
Items not requiring (providing) cash:		
Change in value of liability under trust agreement	(1,898)	4,906
Depreciation	1,057	1,057
Realized and unrealized (gain) loss on investments, net	(1,720,152)	(1,750,840)
Contributions restricted for long-term purposes	(1,720,268)	(145,607)
Changes in:		
Prepaid expenses	(7,871)	4,573
Unconditional promises to give	(4,000)	(5,500)
Student loans receivable, Whitaker Fund	(2,566)	(14,113)
Accounts payable	927,532	6,193
Accrued paid time off	10,382	(1,511)
	921,664	(383,631)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	14,988	452,341
Purchase of Investments	(2,172,387)	(700,000)
	(2,157,399)	(247,659)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for long-term purposes	1,720,268	145,607
Payments on liability under trust agreement	(14,988)	(18,341)
	1,705,280	127,266
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	469,545	(504,024)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	44,516	548,540
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 514,061	\$ 44,516



**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Rogue Community College Foundation (Foundation) is an Oregon nonprofit corporation established to support and promote the education activities of Rogue Community College (the College). The Foundation's exempt purpose includes fostering community interest in the development and broadening of educational opportunities and services of the College, maintaining a fundraising program to encourage contributions to the Foundation, and administering scholarships and grants for the benefit of students and faculty at the College. The Foundation is a component unit of the College.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Board of Directors (the Board).

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents include cash, money market accounts, and all highly liquid investments with an original maturity of three months or less at acquisition that are not otherwise held by an investment advisor.

Promises to Give

Unconditional promises to give are recognized as revenues in the period the promise is made and as assets or expenses depending on the form of the benefits received. For the years ended June 30, 2025 and 2024, management considers all promises to give as collectible.

Unconditional promises to give due in subsequent years are reported at fair value, estimated using the present value of their net realizable value, using interest rates applicable to the years in which the promises are to be received

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the Statement of Financial Position. The alternative investments, which are not readily marketable, are carried at net asset value per share (or its equivalent). The Foundation reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments. Investment income and loss are included in the change in net assets in the accompanying Statement of Activities.

Investment Pools

The Foundation maintains master investment accounts for its donor-restricted and board-designated endowments. Pooling endowment funds for investment purposes has many benefits, including but not limited to spreading the total risk for each endowment fund and making the risk equal for all funds invested in the master investment accounts, enhancing the investment performance relative to that of an individual fund; and reducing management fees. Realized and unrealized gains and losses from securities in the master investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of each endowment to the total fair value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

Property and Equipment

The Foundation records purchases of property and equipment at cost. It is the Foundation's policy to capitalize individual items with a cost over \$500. Equipment is depreciated using the straight-line method over the estimated useful life of three years. The Foundation reports its real properties at the fair values the properties were donated to the Foundation.

Revenue with and without Donor Restrictions

Contributions, including unconditional promises to give, are recognized when received. Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service.

In-Kind Contributions and Expenses

The Foundation records the fair value of donated supplies, equipment and other items when those gifts are received. In-kind donations have been reported as contributions revenue in the appropriate asset class.

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

The Foundation receives services and facility use from the College. For the years ended June 30, 2025 and 2024, the Foundation recorded contributed salaries of \$139,285 and \$135,504, respectively, and contributed rent of \$18,000 for each year.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and personnel costs, which are allocated on the basis of estimates of time and effort.

Tax Status

The Foundation is a not-for-profit organization which is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Code. Internal Revenue Code Section 513(a) defines an unrelated trade or business of an exempt organization as any trade or business which is not substantially related to the exercise or performance of its exempt purpose. No income of the Foundation is considered unrelated business income, and accordingly, no provision for revenue taxes has been accrued.

The Foundation has determined that it has no uncertain tax positions requiring accrual or disclosure. The federal income tax returns of the Foundation are subject to examination by the IRS generally for three years after they are filed.

Concentrations

The Foundation maintains cash balances at a single financial institution. The Federal Deposit Insurance Corporation (FDIC) insures account balances at each institution for amounts up to \$250,000. Any balance in excess of the \$250,000 FDIC coverage is subject to deposit credit risk. Deposit credit risk is the risk that the financial institution will not fulfill its obligations to the Foundation concerning those cash balances. To mitigate the risk of loss, the Foundation deposits only with high quality financial institutions. Management believes this policy reduces the risk of loss and does not believe the cash deposits are exposed to significant credit risk. At June 30, 2025, the bank balance of cash totaled \$368,383, leaving \$118,383 not covered by the FDIC.

The Foundation maintains accounts with a stock brokerage firm. The accounts contain cash and securities. Cash accounts held by the brokerage are FDIC insured deposits for amounts up to \$250,000. At June 30, 2025, the investment cash balance totaled \$192,097 leaving \$0 not covered by the FDIC.

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

Preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimated.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 2 - AVAILABILITY AND LIQUIDITY

The Foundation regularly monitors the availability of resources required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities of providing scholarships and support to the College as well as the conduct of services undertaken to support those activities to be general expenditures. At June 30, 2025 and 2024, the following financial assets could readily be made available within one year of the Statement of Financial Position to meet general expenditures:

	<u>2025</u>	<u>2024</u>
Total financial assets:	\$ 20,676,150	\$ 16,220,847
Less amounts not available to be used within one year:		
Endowments	(10,990,500)	(8,833,522)
Board-designated endowments	(2,358,863)	(2,163,132)
Agency obligations for Whitaker Fund less student loans receivable	(1,180,806)	(1,106,009)
Time-restricted scholarship funds (Cogswell)	(293,836)	(293,836)
Charitable remainder trust	(267,174)	(254,372)
Financial assets available to meet general expenditures within one year:	<u>\$ 5,584,971</u>	<u>\$ 3,569,976</u>

The Foundation's Board has designated a portion of its resources without donor restrictions for endowment and other purposes. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board. At June 30, 2025 and 2024, the total amount of Board-designated endowment funds was \$2,358,863 and \$2,163,132, respectively.

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 3 - PROMISES TO GIVE

Unconditional promises to give are summarized as follows at June 30:

	<u>2025</u>	<u>2024</u>
Promises to give expected to be collected in less than one year	\$ 10,500	\$ 6,500
Total promises to give	<u>10,500</u>	<u>6,500</u>
Less allowance for uncollectible promises	<u>-</u>	<u>-</u>
Net promises to give	<u>\$ 10,500</u>	<u>\$ 6,500</u>

Management provides for probable uncollectible amounts for subsequent years through a provision for uncollectible pledges based on its assessment of the current status of individual pledges.

NOTE 4 - INVESTMENTS

Investments are carried at fair value on the Statement of Financial Position. The fair values of securities held at June 30 were as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 190,727	\$ 150,616
Fixed income	5,179,959	4,032,570
Equities	11,185,357	9,650,193
Mutual funds	2,274,669	1,758,810
Exchange traded funds	969,251	196,387
REIT	84,453	126,405
Alternative investments	<u>-</u>	<u>478</u>
Total investments	<u>\$ 19,884,415</u>	<u>\$ 15,915,459</u>

Total investment income is comprised of the following for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Interest and dividend income	\$ 319,569	\$ 339,412
Unrealized gain (loss) on investments	(1,065,016)	1,129,024
Realized gain (loss) on investments	2,561,273	329,277
Investment fees	<u>(95,201)</u>	<u>(85,285)</u>
	<u>\$ 1,720,625</u>	<u>\$ 1,712,428</u>

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 4 – INVESTMENTS (CONTINUED)

Alternative Investments

The value of the alternative investment that has been estimated using the net asset value per share as a practical expedient consist of the following:

June 30, 2025	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Hatteras TEI Institutional Fund	\$ -	\$ -	Quarterly	65 days
June 30, 2024	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Hatteras TEI Institutional Fund	\$ 478	\$ -	Quarterly	65 days

This category of alternative investment invests substantially all of its assets through a master-feeder structure in a master fund. This is a multi-strategy fund providing diversified exposure to private investments for potential enhancement and hedged investments for potential volatility and risk mitigation. Private investment strategies may include, but are not limited to private equity, private real estate, private energy, and natural resources and private credit. Hedged investment strategies may include, but are not limited to, long/short equity, relative value, event driven and global macro. The investment's board has complete discretion on the number of redemptions provided at any given period.

NOTE 5 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, less accumulated depreciation at June 30:

	<u>2025</u>	<u>2024</u>
Equipment	\$ 48,818	\$ 48,818
Accumulated depreciation	(48,818)	(47,761)
Net property and equipment	<u>\$ -</u>	<u>\$ 1,057</u>

Depreciation expense charged to operations for the years ended June 30, 2025 and 2024 was \$1,058 and \$1,057, respectively.

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 6 - REAL PROPERTY

Real property consists of the following at June 30:

	2025	2024
Land and timber, Sunny Valley, Oregon	\$ 59,577	\$ 59,577
Total real property	\$ 59,577	\$ 59,577

In 1986, the Foundation received a contribution of 80 acres of land and timber located near Sunny Valley, Oregon. The land and timber were originally recorded at \$67,152, the estimated fair market value on the date of the gift. The original amount was reduced by \$7,575, representing the portion of the basis allocable to timber harvested in 1991. The gift provides that the Foundation is not to sell the property for at least 100 years from the date of the gift. The gift also requires that at least sixty percent of the income derived from the property, including proceeds from future sales of timber, be used for scholarships. Income not used for scholarships is to be used to augment the educational programs of the College.

NOTE 7 - INTEREST IN CHARITABLE GIFT ANNUITY

In December 2002, the Foundation was named the remainder beneficiary of a fifty percent interest in a charitable gift annuity. The annuity provides for payments to the donors for their joint lives with the assets remaining at the end of the annuity period reverting to the Foundation. The donor restricted the gift to fund scholarships for business students. The charitable gift annuity assumes a rate of return of six percent annually. The present value of the Foundation's interest in the annuity is determined by an outside fiscal agent who administers the gift annuity. The present value of the annuity was zero for the years ended June 30, 2025 and 2024, respectively.

NOTE 8 - AGENCY OBLIGATIONS FROM WHITAKER FUND

The Helen M. Whitaker Education Fund (the Whitaker Fund) was established in December 1999 under terms of an agreement between the Estate of Helen M. Whitaker, the Omega Chapter of Delta Kappa Gamma Society International, and the Foundation. The original amount provided to the Foundation was \$566,635. Under the terms of the agreement, the Foundation acts as an agent to perform activities as directed by the donor's estate.

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 8 - AGENCY OBLIGATIONS FROM WHITAKER FUND (CONTINUED)

The Whitaker Fund offers low interest loans to teachers and administrators who serve Josephine County, Oregon and who pursue a higher degree in education or educational advancement that will be of assistance to the field of education. Upon completion or termination of the educational program, loans must be repaid to the Foundation in equal monthly installments including interest computed at three percent per annum over a period not to exceed five years. The loans are not secured. Terms of the loans provide for performance standards and carry other limiting provisions.

Amounts available for new loans from the Whitaker Fund are as follows at June 30:

	<u>2025</u>	<u>2024</u>
Principal and accumulated earnings of the Whitaker Fund	\$ 1,302,098	\$ 1,224,735
Student loans receivable	(121,292)	(118,726)
Amounts available for new loans	<u>\$ 1,180,806</u>	<u>\$ 1,106,009</u>

Changes in the Whitaker Fund are as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 1,224,735	\$ 1,103,775
Principal and interest payments on student loans	20,756	11,484
New student loan amounts paid	(23,359)	(23,035)
Change in value	99,017	139,444
Fee to administer by Foundation	(21,617)	(21,046)
Change in student loans receivable	2,566	14,113
Balance, end of year	<u>\$ 1,302,098</u>	<u>\$ 1,224,735</u>

At June 30, 2025 and 2024, loans approved but not yet funded by the Whitaker Fund loan program totaled \$5,700 and \$23,166, respectively. Based on management's knowledge and historical collection rates, no bad debt allowance is deemed necessary.

NOTE 9 - LIABILITY UNDER TRUST AGREEMENT

The Foundation administers a charitable remainder unitrust: The Frits and Hanna R. Gomperts Unitrust. A charitable remainder trust provides for the payment of distributions to the beneficiary over the trust's term (the designated beneficiary's lifetime). At the end of the trust's terms, the remaining assets are available for the Foundation's use. In the period the trust was established, the portion of the trust attributable to the present value of the future benefits to be received by the Foundation was recorded in the Statement of Activities as a contribution with donor restrictions. Assets held in the charitable remainder trust totaled \$267,174 and \$254,372 at June 30, 2025 and 2024, respectively. On an annual basis, the Foundation revalues the distributions to the designated beneficiary based on six percent of the market value of the trust at December 31.

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 9 - LIABILITY UNDER TRUST AGREEMENT (CONTINUED)

The present value of the estimated future payments (\$104,501 and \$106,399 at June 30, 2025 and 2024, respectively) is calculated using a discount rate of six percent and applicable mortality tables. The estimated net value of the standard unitrust is \$162,673 and \$147,973 at June 30, 2025 and 2024, respectively.

NOTE 10 - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Foundation's investments are reported at fair value in the accompanying Statements of Financial Position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuations methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – consists of financial instruments whose value is based on quoted market prices for identical financial instruments in an active market.

Level 2 – consists of financial instruments that are valued using models or other valuation methodologies. These models use inputs that are observable either directly or indirectly; Level 2 inputs include (i) quoted prices for similar assets or liabilities in active markets, (ii) quoted prices for similar assets or liabilities in markets that are not active, (iii) pricing models whose inputs are observable for substantially the full term of the financial instrument and (iv) pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the financial instrument.

Level 3 – consists of financial instruments whose values are determined using pricing models that utilize significant inputs that are primarily unobservable, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 10 - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets and liabilities valued on a recurring basis:

Fair Value - June 30, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Investments:				
Cash and cash equivalents	\$ 190,727			\$ 190,727
Fixed income	-	5,179,959	-	5,179,959
Equities	11,185,357	-	-	11,185,357
Mutual funds	2,274,669	-	-	2,274,669
Exchange traded funds	969,251	-	-	969,251
REIT	84,453	-	-	84,453
Alternative investments (a)	-	-	-	-
Total	\$ 14,704,457	\$ 5,179,959	\$ -	\$ 19,884,415
Charitable remainder trust:				
Cash and cash equivalents	\$ 1,370	\$ -	\$ -	\$ 1,370
Fixed income	-	75,888	-	75,888
Equities	-	-	-	-
Mutual funds	11,332	-	-	11,332
Exchange traded funds	178,583	-	-	178,583
Total	\$ 191,286	\$ 53,874	\$ -	\$ 267,174
Liabilities:				
Liability under trust agreement	\$ -	\$ -	\$ 104,501	\$ 104,501

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 10 - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Fair Value - June 30, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Investments:				
Cash and cash equivalents	\$ 150,616			\$ 150,616
Fixed income	-	4,032,570	-	4,032,570
Equities	9,650,193	-	-	9,650,193
Mutual funds	1,758,810	-	-	1,758,810
Exchange traded funds	196,387	-	-	196,387
REIT	126,405	-	-	126,405
Alternative investments (a)	-	-	-	478
Total	<u>\$ 11,882,411</u>	<u>\$ 4,032,570</u>	<u>\$ -</u>	<u>\$ 15,915,459</u>
Charitable remainder trust:				
Cash and cash equivalents	\$ 2,290	\$ -	\$ -	\$ 2,290
Fixed income	-	53,874	-	53,874
Equities	-	-	-	-
Mutual funds	16,261	-	-	16,261
Exchange traded funds	181,947	-	-	181,947
Total	<u>\$ 200,498</u>	<u>\$ 53,874</u>	<u>\$ -</u>	<u>\$ 254,372</u>
Liabilities:				
Liability under trust agreement	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,399</u>	<u>\$ 106,399</u>

(a) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended for reconciliation of the fair value hierarchy to the amounts presented on the Statement of Financial Position.

The following table summarized information about recurring fair value measurements that use significant unobservable inputs (Level 3 measurements) for the years ended June 30, 2025 and 2024:

Liability Under Trust Agreement	
Balance at July 1, 2024	\$ 101,493
Investment return, net	20,993
Change in value of liability	2,254
Distribution to beneficiary	<u>(18,341)</u>
Balance at June 30, 2025	106,399
Investment return, net	27,792
Change in value of liability	(14,702)
Distribution to beneficiary	<u>(14,988)</u>
Balance at June 30, 2025	<u>\$ 104,501</u>

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 11 - ENDOWMENTS AND BOARD-DESIGNATED ENDOWMENTS

The Foundation's endowment consists of 122 individual funds established for scholarships and a loan fund. The endowment includes 117 donor-restricted endowment funds and five funds designated by the Board to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Board Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted Oregon enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the permanent preservation of the historic dollar value of gifts to the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets not subject to expenditure (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (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 net assets not subject to expenditure is classified as net assets with time restrictions until those amounts are appropriated 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 fund,
- 2) the purposes of the Foundation and the donor-restricted endowment fund,
- 3) general economic conditions,
- 4) the possible effect of inflation and deflation,
- 5) the expected total return from income and the appreciation of investments,
- 6) other resources of the Foundation,
- 7) the investment policies of the Foundation.

Investment Return Objectives and Risk Parameters

The investment portfolio objective is to generate returns in excess of the appropriate benchmark. Benchmarks are established for each asset class. The three portfolio priorities are (1) preservation of principal, (2) generation of income and (3) growth of capital. The portfolio is invested so all assets are well diversified, with the intent of minimizing the risk of loss. The asset allocation plan includes distribution of assets among major asset classes, acknowledging that over long investment horizons, the allocation among various asset classes will outweigh security selection. The fund objectives are based on a five-to-ten-year investment horizon, to allow a complete market cycle and to keep interim volatility in the appropriate perspective.

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 11 - ENDOWMENTS AND BOARD-DESIGNATED ENDOWMENTS (CONTINUED)

Strategies Employed for Achieving Objectives

Diversification within the full spectrum of traditional sectors of domestic and foreign equity and fixed income markets, as well as other asset classes such as real estate investment trusts and cash may be used. In general, investments will approximate sixty-five percent equities, twenty-eight percent fixed income and seven percent in other asset classes. The allocation may deviate from the normal allocation within a permitted range, as market conditions warrant. The Foundation believes this balance provides the stability to preserve the principal value and the opportunity for real long-term capital growth without excessive risk.

Spending Policy

Periodic distributions from the endowment fund are made at an approximate spending rate of three to five percent annually. The spending rate is based on the assumption of long-term investment returns of approximately eight percent. The Board may choose to not appropriate spendable funds depending on the needs of the Foundation. Amounts not appropriated are reinvested and identified as time-restricted net assets. Expenditures are approved by the Board in consultation with the management of the Foundation.

The earnings on the endowment, when appropriated for expenditure, are expended in accordance with donor stipulations for use of the endowment earnings. The Board expects to appropriate money for the purpose of scholarships annually.

Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values that are 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 endowments in accordance with prudent measures required under law.

At June 30, 2025, the Foundation had two individual donor-restricted endowments that were underwater that totaled \$1,223. The deficits were \$951 and \$272. At June 30, 2024, the Foundation had three individual donor-restricted endowments that were underwater that totaled \$11,487. The deficits ranged from \$161 and \$10,146.

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 11 - ENDOWMENTS AND BOARD-DESIGNATED ENDOWMENTS (CONTINUED)

Endowments By Net Asset Classification

Endowments by net asset classification and type of fund at June 30:

	2025		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 10,990,500	\$ 10,990,500
Board-designated endowment funds	2,358,863	-	2,358,863
	<u>\$ 2,358,863</u>	<u>\$ 10,990,500</u>	<u>\$ 13,349,363</u>
	2024		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 8,833,522	\$ 8,833,522
Board-designated endowment funds	2,163,132	-	2,163,132
	<u>\$ 2,163,132</u>	<u>\$ 8,833,522</u>	<u>\$ 10,996,654</u>
	<u>Without Donor</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, end of the year, June 30, 2023	\$ 1,936,309	\$ 8,106,634	\$ 10,042,943
Investment return:			
Interest and dividends	48,725	203,247	251,972
Realized and unrealized gains/(losses)	230,377	967,439	1,197,816
Investment fees	(13,085)	(54,210)	(67,295)
Contributions and other income	-	144,292	144,292
Administrative assessments	(39,194)	(165,997)	(205,191)
Appropriation of endowment assets for expenditure	-	(367,883)	(367,883)
Endowment net assets, end of the year, June 30, 2024	\$ 2,163,132	\$ 8,833,522	\$ 10,996,654
Investment return:			
Interest and dividends	53,176	239,069	292,245
Realized and unrealized gains/(losses)	196,983	875,878	1,072,861
Investment fees	(13,735)	(61,541)	(75,276)
Contributions and other income		1,710,705	1,710,705
Administrative assessments	(40,693)	(176,096)	(216,789)
Appropriation of endowment assets for expenditure	-	(431,037)	(431,037)
Endowment net assets, end of the year, June 30, 2025	<u>\$ 2,358,863</u>	<u>\$ 10,990,500</u>	<u>\$ 13,349,363</u>

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 12 - NET ASSETS

Net assets without donor restrictions consist of the following at June 30:

	2025	2024
Undesignated net assets without donor restrictions	\$ 1,841,644	\$ 1,450,821
Board-designated endowment funds (scholarships)	2,358,863	2,163,132
Total net assets without donor restrictions	\$ 4,200,507	\$ 3,613,953

Net assets with donor restrictions consist of the following at June 30:

	2025	2024
Net assets subject to purpose/time restrictions:		
Scholarships	\$ 5,043,162	\$ 4,521,436
Various projects	1,039,992	419,529
Total net assets subject to purpose/time restrictions	6,083,154	4,940,965
Net assets not subject to expenditure:		
Scholarships	8,149,814	6,439,109
Real property	59,577	59,577
Total net assets not subject to expenditure	8,209,391	6,498,686
Total net assets with donor restrictions	\$ 14,292,545	\$ 11,439,651

During the year, net assets were released from donor restrictions by incurring expenses satisfying the purpose or by expiration of time restrictions specified by the donor as follows for the years ended June 30:

	2025	2024
Scholarship related expenses	\$ 916,961	\$ 745,888
Project related expenses	68,503	89,606
Total net assets with time and purpose restrictions released from restriction	\$ 985,464	\$ 835,494

**ROGUE COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 13 - RELATED PARTY TRANSACTIONS

The Foundation has various transactions with the College, a related party. Total amounts paid to the College during the 2025 and 2024 fiscal years were \$296,513 and \$1,090,897, respectively. The payments were for reimbursement of staff salary costs, other professional services provided by the College, project and program expenses, pass-through donations, and payments for scholarship and voucher awards paid directly to the College. The transactions are governed by a memorandum of understanding between the Foundation and the College. For the years ended June 30, 2025 and 2024, the College recorded contributed salaries and contribution of rent as disclosed in *Note 1*, Donated Services. Additionally, the Foundation had \$27,843 of in-kind contributed assets that were passed through to the College.

At June 30, 2025 and 2024, \$925,182 and \$16,093, respectively, was owed to the College from the Foundation for reimbursements payable to the College and for scholarships and awards payable directly to the College.

NOTE 14 – CONCENTRATIONS OF REVENUE

For the years ended June 30, 2025 and 2024, the Foundation received 64 percent and 30 percent, respectively, of its contribution and assessments revenue from two donors in each year.

NOTE 15 - SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events for disclosure and recognition through September 19, 2025, the date on which these financial statements were available to be issued.