

COLORADO MESA UNIVERSITY
FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Colorado Mesa University Foundation

Opinion

We have audited the accompanying financial statements of Colorado Mesa University Foundation (nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Colorado Mesa University Foundation as of June 30, 2024, 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. 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 Colorado Mesa University 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 Colorado Mesa University Foundation's ability to continue as a going concern within one year after the date that 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 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 Colorado Mesa University 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 Colorado Mesa University 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.

Blair and Associates, P.C.

Cedaredge, Colorado
September 18, 2024

COLORADO MESA UNIVERSITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30, 2024

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 6,002,536
Investments	17,992,858
Unconditional Promise to Give	923,805
Accounts Receivable	15,722
Mineral Interest	1,186,575
Inventory-Land	40,000
Prepaid Expenses	44,723
Property Subject to Life Estate	508,000
Total Current Assets	<u>26,714,219</u>
LONG-TERM:	
Unconditional Promise to Give	<u>1,255,058</u>
Restricted:	
Bank- Raffle	19,150
Investments-for future projects and scholarships	41,684,240
Total Restricted Assets	<u>41,703,390</u>
Total Assets	<u><u>\$ 69,672,667</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 129,412
Total Current Liabilities	<u>129,412</u>
Total Liabilities	<u>129,412</u>
NET ASSETS	
Without Donor Restrictions	1,464,504
With Donor Restrictions	68,078,751
Total Net Assets	<u>69,543,255</u>
Total Liabilities and Net Assets	<u><u>\$ 69,672,667</u></u>

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY FOUNDATION
STATEMENT OF ACTIVITIES
For the year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 88,621	\$ 9,774,668	\$ 9,863,289
Support from CMU	304,691	64,075	368,766
Special Events	-	750,417	750,417
Less: Cost of Direct Benefits to Donors	-	(560,906)	(560,906)
Investment Income (net of fees)	157,251	1,049,902	1,207,153
Realized Gain (Loss) on Investment	330	15,888	16,218
Unrealized Gain (Loss) on Investments	121,272	5,834,134	5,955,406
Royalties	-	122,764	122,764
CMU Department and Club Collections	-	4,006,491	4,006,491
Other	3,011	(1,928)	1,083
Net Assets Released from Restrictions	9,431,763	(9,431,763)	-
Total Revenue and Support	<u>10,106,939</u>	<u>11,623,742</u>	<u>21,730,681</u>
EXPENSES			
Program Expenses			
Scholarships	4,413,576	-	4,413,576
CMU Building Projects and Expense	966,241	-	966,241
CMU Department and /Club Transfers	3,581,530	-	3,581,530
Other Support of CMU	555,528	-	555,528
Total Program Expenses	<u>9,516,875</u>	<u>-</u>	<u>9,516,875</u>
Supporting Services			
Management and General	131,788	-	131,788
Fund Raising	353,203	-	353,203
Total Supporting Expenses	<u>484,991</u>	<u>-</u>	<u>484,991</u>
Total Expenses	<u>10,001,866</u>	<u>-</u>	<u>10,001,866</u>
INCREASE (DECREASE) IN NET ASSETS	105,073	11,623,742	11,728,815
Net Assets-Beginning	1,359,431	56,455,009	57,814,440
Net Assets-Ending	<u>\$ 1,464,504</u>	<u>\$ 68,078,751</u>	<u>\$ 69,543,255</u>

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

	Program Services					Supporting Services		
	Scholarships	CMU Building Projects and Expansion	CMU Department & Club Transfers	Other Support of CMU	Total Program Services	Management & General	Fund Raising	Total
CMU Building Projects	\$ -	\$ 966,241	\$ -	\$ -	\$ 966,241	\$ -	\$ -	\$ 966,241
CMU Student Scholarships	4,403,565	-	-	-	4,403,565	-	-	4,403,565
Other Scholarships	10,011	-	-	-	10,011	-	-	10,011
CMU- Transfers & Expenses for Departments & Clubs	-	-	3,581,530	-	3,581,530	-	-	3,581,530
Computer Maintenance & Supplies	-	-	-	465	465	41,577	205,009	247,051
Donor Cultivation, Promotion, Hospitality, & Marketing	-	-	-	-	-	-	120,519	120,519
Insurance	-	-	-	-	-	12,519	-	12,519
In-Kind Transfers to CMU	-	-	-	105,624	105,624	-	-	105,624
Other	-	-	-	305,896	305,896	17,010	2,690	325,596
Professional Fees	-	-	-	6,983	6,983	35,410	17,191	59,584
Supplies	-	-	-	-	-	12,367	369	12,736
Travel	-	-	-	-	-	12,905	7,425	20,330
Workforce Development & Applied Research	-	-	-	4,325	4,325	-	-	4,325
Depletion	-	-	-	139,227	139,227	-	-	139,227
Bad Debt Expense	-	-	-	(6,992)	(6,992)	-	-	(6,992)
Total Expenses	<u>\$4,413,576</u>	<u>\$ 966,241</u>	<u>\$ 3,581,530</u>	<u>\$ 555,528</u>	<u>\$ 9,516,875</u>	<u>\$ 131,788</u>	<u>\$ 353,203</u>	<u>\$ 10,001,866</u>

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	Program Services					Supporting Services		
	Scholarships	CMU Building Projects and Expansion	CMU Department & Club Transfers	Other Support of CMU	Total Program Services	Management & General	Fund Raising	Total
CMU Building Projects	\$ -	\$ 869,448	\$ -	\$ -	\$ 869,448	\$ -	\$ -	\$ 869,448
CMU Student Scholarships	3,996,175	-	-	-	3,996,175	-	-	3,996,175
Other Scholarships	7,010	-	-	-	7,010	-	-	7,010
CMU- Transfers & Expenses for Departments & Clubs	-	-	4,440,189	-	4,440,189	-	-	4,440,189
Compute Maintenance & Supplies	14,894	-	-	-	14,894	13,128	114,095	142,117
Donor Cultivation, Promotion, Hospitality, & Marketing	-	-	-	-	-	-	154,367	154,367
Insurance	-	-	-	-	-	11,410	-	11,410
In-Kind Transfers to CMU	-	-	165,239	-	165,239	-	-	165,239
Other	-	-	-	311,304	311,304	3,855	8,593	323,752
Professional Fees	-	-	-	13,858	13,858	9,658	7,755	31,271
Supplies	-	-	-	-	-	1,975	4,085	6,060
Travel	-	-	-	-	-	5,635	3,262	8,897
Workforce Development & Applied Research	-	-	-	69,423	69,423	-	-	69,423
Depletion	-	-	-	356,130	356,130	-	-	356,130
Bad Debt Expense	-	-	-	(30,808)	(30,808)	-	-	(30,808)
Total Expenses	<u>\$4,018,079</u>	<u>\$ 869,448</u>	<u>\$ 4,605,428</u>	<u>\$ 719,907</u>	<u>\$ 10,212,862</u>	<u>\$ 45,661</u>	<u>\$ 292,157</u>	<u>\$ 10,550,680</u>

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY FOUNDATION
STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (Decrease) in Net Assets	\$ 11,728,815
Adjustment to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by:	
Operating Activities:	
Non-cash Donations included in Contributions	(119,639)
Depletion	139,227
Unrealized (Gains) Losses on Investments	(5,955,406)
Loss on disposal of Property and Equipment	-
(Increase) Decrease in Operating Activities	
Unconditional Promises to Give	272,287
Accounts Receivable	19,033
Prepaid Program Expenses	19,526
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	(43,170)
Accrued Liabilities	-
Contributions Restricted for Long-Term Purpose:	
Scholarships	(5,019,927)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,040,746</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

In-Kind Donations	105,624
Net sale of Property held for Investment	-
Proceeds from Sale of Long-Term Investments	(16,218)
Purchase of Long-term Investments	(3,844,559)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(3,755,153)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Collections of contributions Restricted for Long-Term Purposes:	
Scholarships	5,019,062
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>5,019,062</u>

Net Increase (Decrease) in Cash and Cash Equivalents	2,304,655
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Beginning Cash	3,717,031
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Ending Cash	<u><u>\$ 6,021,686</u></u>
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SUPPLEMENTAL DISCLOSURES

Cash	\$ 6,002,536
Cash Raffle	19,150
	<u><u>\$ 6,021,686</u></u>

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

Purpose and Organization

The Foundation (CMUF) was incorporated under the laws of the State of Colorado in August 1961. The Foundation's sole purpose is to provide financial assistance to Colorado Mesa University (CMU) students, and to otherwise assist CMU in providing education to deserving individuals. Most of the Foundation's support comes from contributions by Western Colorado donors and investment income.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets; With Donor Restrictions and Without Donor Restrictions

Net Assets Without Donor Restrictions-These are net assets that are not subject to donor-imposed restrictions. In general, the unrestricted net assets of the Organization may be used at the discretion of the Organization's management and Board of Directors to support the Organization's purpose and operations.

Net Assets With Donor Restrictions-These net assets are subject to donor-imposed stipulations that may or will be met, either by the Organization's actions and/or by the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Organization considers all cash on hand and in banks, certificates of deposits, and other highly liquid investments with maturities of three months or less to be cash equivalents.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Pledges receivable due within the next year are reflected as current receivables, while pledges due after one year are reflected as long-term receivables.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Pledges of future cash contributions, which have been received subject to annual review by the contributors, unsigned pledges, verbal pledges, and pledges of future donated services, have not been recorded in the financial statements.

Promises to give are recorded at net realizable value if expected to be collected in one year and discounted to net present value if expected to be collected in more than one year. The discounted rate is commensurate with the payment terms. An allowance for uncollectible pledges is based on management's judgement and analysis of the creditworthiness of the donor, and past collection history.

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Investments

Investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following fair value hierarchy prioritizes observable inputs used to measure fair value into three broad levels, which are as follows:

Level 1: Quoted prices available in active markets at the measurement date.

Level 2: Observable prices that are based on inputs not quoted in activities markets, but corroborated by market data, use of models, or other valuation methods.

Level 3: Unobservable inputs are used when little or no market data is available. Estimates and assumptions are made related to the value of the asset including assumptions regarding risk.

The Foundation maintains pooled investment accounts for most of its endowments. Investment income realized and unrealized gains and losses, and managements fees are allocated quarterly to the individual endowment expendable accounts based on the relationship of the fair value of each endowment to the total fair value of all endowments.

Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Losses on investments of donor-restricted endowment funds reduce temporarily restricted net assets or permanently restricted net assets, to the extent that donor-imposed restrictions on net appreciation of the fund have not been met before the loss occurs. Any remaining loss reduces unrestricted net assets. If losses reduce the asset of a donor-restricted endowment fund below the level required by the donor stipulations or law, gains that restore the fair value of the assets of the endowment fund to the required level are classified as increases in unrestricted net asset.

Property Subject to Life Estate

A donor has donated property that will be transferred to the Foundation at the end of their lifetime. The property was recorded at its fair value at the time of the donation. An obligation for the life interest was not material to the financial statements and was not recorded; therefore, the entire fair value of the donation was recorded at the time of donation.

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is exempt from Federal and State income taxes under the provisions of the Internal Revenue Code Section 501(c)(3). The Organization believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Functional Reporting of Expenses

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

Subsequent Events

Management has evaluated subsequent events through the auditor's report date, which is the date the financial statements were available for issuance, noting no events requiring disclosure.

NOTE 3 – INVESTMENTS

Investments are stated at fair value from quoted market prices and consist of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gains (losses)</u>
Cash & money			
Markets	\$ 700,319	\$ 700,319	\$ -
Common Stock	5,560,445	8,965,866	3,405,421
Equity Funds	9,882,727	11,582,028	1,699,301
Private Equity	236,898	587,790	350,892
Bonds	393,507	379,313	(14,194)
Bond Fund	15,546,950	15,061,565	(485,385)
Indexed	17,119,296	20,937,297	3,818,001
Hedge Funds	<u>1,358,803</u>	<u>1,462,920</u>	<u>104,117</u>
Total	<u>\$ 50,798,945</u>	<u>\$ 59,677,098</u>	<u>\$ 8,878,153</u>

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 – INVESTMENTS-continued

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Interest & Dividends	\$ 159,398	\$ 1,153,149	\$ 1,312,547
Investment Fee	(2,146)	(103,248)	(105,394)
Realized Gain (loss)	330	15,888	16,218
Unrealized Gain (loss)	<u>121,272</u>	<u>5,834,134</u>	<u>5,955,406</u>
Total	<u>\$ 278,854</u>	<u>\$ 6,899,923</u>	<u>\$ 7,178,777</u>

NOTE 4 - FAIR VALUE MEASUREMENT

The following methods and assumptions were used by the Foundation in estimating the fair value of its other financial instruments:

Cash, Accounts Payable, and Debt

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

Investments

Description	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (level 3)
Long-Term Investments				
Cash & money Markets	\$ 700,319	\$ 700,319	\$ -	\$ -
Common Stock	8,965,866	8,965,866	-	-
Equity Funds	11,582,028	11,582,028	-	-
Private Equity	587,790	-	587,790	-
Bonds	379,313	379,313	-	-
Bond Fund	15,061,565	15,061,565	-	-
Indexed	20,937,297	20,937,297	-	-
Hedge Funds	<u>1,462,920</u>	<u>1,462,920</u>	<u>-</u>	<u>-</u>
Total Long-Term Investments	<u>\$59,677,098</u>	<u>\$ 59,089,308</u>	<u>\$ 587,790</u>	<u>\$ -</u>

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - FAIR VALUE MEASUREMENT-continued

The Foundation's policy for determining the timing of significant transfers between levels is at the end of the fiscal year.

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

Fixed– Value based on yields currently available on comparable bonds, with comparable durations, with similar credit ratings.

Equity –Valued at the closing price as reported on the active market on which the stocks are traded. One stock was not traded on an active market; an outside firm was used to value the stock.

Commodities - Valued by comparable terms and duration.

Indexed -Values by comparable terms duration.

NOTE 5 - ENDOWMENT

The Foundation's endowment consists of 317 individual funds established for providing a future income stream for scholarships for Colorado Mesa (CMU) University students, research, and other uses for certain CMU departments. Its endowment includes only donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including designated by the Board of Directors to function as endowments, are classified and reported based 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 permanently restricted net assets (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 as with donor restrictions (permanently restricted) net assets is classified as without donor restriction and is available for expenditure by the Foundation, in a manner consistent with the standards 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.

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – ENDOWMENT-continued

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies by the Board of Directors, for the 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 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 debt securities, which 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.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the foundation relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) and current yield (interest and dividends). The Investment Committee of the Foundation is responsible for selecting managers and monitoring the asset mix of the investments to make sure they are within ranges outlined in the Board approved investment policy.

Spending Policy

The spending policy is to distribute 3% to 5% of the fair market value of the five-year rolling average of the endowment accounts each year, with the caveat that the Foundation's Board shall have the discretion to adjust the distribution rate for a given year. Adjustments may depend on the short/long term needs of CMU and the anticipated near-term trends in inflation and investment returns, consistent with the Foundation's investment policy.

Endowment Net Asset Composition by Type of Fund at Year End as follows:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	Endowment <u>Net Assets</u>
Donor Restricted Endowment Funds	\$ -	\$58,581,548	\$ 58,581,548
Board Designated Endowment Funds	<u>1,188,977</u>	<u>-</u>	<u>1,188,977</u>
Total	<u>\$ 1,188,977</u>	<u>\$58,581,548</u>	<u>\$ 59,770,525</u>

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – ENDOWMENT-continued

Changes in Endowment net assets for the years ended June 30, 2024, are as follows:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	Endowment <u>Net Assets</u>
Endowment Net Assets Beginning	\$ 1,045,581	\$ 48,554,876	\$ 49,600,457
Contributions & Transfers	-	5,367,573	5,367,573
Investment Income - Net of Fees	21,793	1,049,902	1,071,695
Net Appreciation (Depreciation)	121,602	5,850,022	5,971,624
Net Assets Released from Restriction:			
Amounts Appropriated for Expenditure	<u>-</u>	<u>(2,240,825)</u>	<u>(2,240,825)</u>
Endowment Net Assets-Ending	<u>\$ 1,188,976</u>	<u>\$58,581,548</u>	<u>\$ 59,770,524</u>

NOTE 6 –CONCENTRATIONS

Amounts more than \$250,000 in one bank account are not insured by the FDIC or related entity. The Foundation has one bank account which exceeds the FDIC insured amount but is fully collateralized by the bank with Federal Ginnie Mae securities. Additionally, the Foundation has significant investments in stocks and bonds, which are subject to the risk of market value fluctuation. Seventeen donors gave 70% of all contributions, and 99% of the unconditional promises to give are from four donors.

NOTE 7 – PROMISES TO GIVE

Unconditional promises to give at year end consist of the following:

With Donor Restrictions

CMU capital projects & expansion	\$1,638,090
Other (MSW Program)	500,000
Scholarships - Endowment	<u>372,380</u>
Subtotal	2,510,470
Less discounts to net present value-discount rate 3.86%	(245,492)
Less allowance for uncollectable promises receivable	<u>(86,115)</u>
Total	<u>\$2,178,863</u>
Receivable in less than one year	\$ 883,527
Receivable in one to five years	1,295,336
Receivable after five years	<u>-</u>
Total	<u>\$2,178,863</u>

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 –NET ASSETS WITH DONOR RESTRICTIONS

	<u>6/30/2024</u>
With Donor Restrictions-Permanent Endowment	
Student Scholarship Endowments	\$ 33,862,028
Research Endowments	3,778,756
Department Legacy Endowments	<u>4,043,456</u>
Total	<u>\$ 41,684,240</u>
With Donor Restrictions-Temporary	
Accumulated Expendable Portion of Investment	
Income from Endowments	\$ 16,931,908
CMU Capital Projects & Expansion	2,418,265
CMU Department & Clubs	5,563,060
Temporary Scholarship Funds	<u>1,655,106</u>
Total	<u>\$ 26,568,339</u>

NOTE 9 –CMU CAMPUS EXPANSION

CMU has plans to further expand the size of the university campus and facilities. The Foundation is assisting in the expansion by purchasing real estate, collecting monies to purchase real estate needed for the expansion, or collecting funds to expand/construct facilities on campus. Colorado Mesa University Real Estate Foundation (CMUREF), a nonprofit that manages real estate for CMU, also assists in the expansion. If real estate closes are in the Foundation's name, The Foundation will quit claim the real estate to CMU or CMUREF for the purchase of real estate or to reimburse them for purchases that have already occurred. The Foundation transferred \$966,242 to CMU during the fiscal year for building projects and expansion.

NOTE 10 - RELATED PARTY

CMU provides staff and office space for the Foundation. The value of these is not reflected in the statement of activities.

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 11 – LIQUIDITY AND AVAILABILITY

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support with donor restrictions; such support has historically represented approximately 76% of annual program funding needs, with the remainder funded by investment income with donor restrictions and appropriated earnings from gifts without donor restrictions.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated (quasi) endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses, scholarship, and other programmatic expenses expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term programmatic commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for management and general and fundraising expenses. Additionally, an amount that represents 50% of the anticipated programmatic expenses for the next year is made available.

COLORADO MESA UNIVERSITY REAL ESTATE ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 – LIQUIDITY AND AVAILABILITY-continued

The table below presents financial assets available for general expenditures within one year on June 30, 2024:

Financial assets at year end	
Cash and Cash Equivalents	\$ 6,021,686
Investments	59,677,098
Unconditional promises to give	2,178,863
Accounts Receivable	15,722
Mineral Interest	1,186,575
Prepaid Program Expenses	44,723
Land	40,000
Property subject to Life Estate	<u>508,000</u>
Total Financial Assets	<u>69,672,667</u>
Less amounts not available to be used within one year	
Unconditional promises to give non-current	1,255,058
Permanently Restricted Net Assets	41,684,240
Property subject to Life Estate	508,000
Land	40,000
Private Equity Investment	587,790
Mineral Interest	<u>1,186,575</u>
Total financial assets not available for use within one year	<u>45,261,663</u>
Total financial assets available for expenditures within one year	<u>\$ 24,411,004</u>