

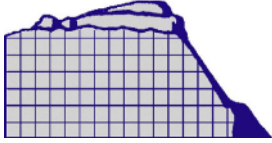
COLORADO MESA UNIVERSITY
FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Colorado Mesa University Foundation
1450 North 12TH Street
Grand Junction, CO 81501

I have audited the accompanying financial statements of Colorado Mesa University Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my 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, 2021, 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.

Paul D. Miller, CPA, LLC

Grand Junction, CO
August 20, 2021

COLORADO MESA UNIVERSITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

June 30, 2021

| ASSETS | |
|--------------------------------------------------|---------------|
| CURRENT ASSETS | |
| Cash and Cash Equivalents | \$ 4,610,102 |
| Investments | 17,610,428 |
| Unconditional Promise to Give | 1,022,974 |
| Accounts Receivable | 128,895 |
| Inventory-Land | 40,000 |
| Property Subject to Life Estate | 508,000 |
| Total Current Assets | 23,920,399 |
| LONG-TERM: | |
| Unconditional Promise to Give | 3,267,858 |
| Restricted: | |
| Investments-for future projects and scholarships | 31,211,063 |
| Total Assets | \$ 58,399,320 |
| LIABILITIES AND NET ASSETS | |
| CURRENT LIABILITIES | |
| Accounts Payable | \$ 125,486 |
| Total Current Liabilities | 125,486 |
| Total Liabilities | 125,486 |
| NET ASSETS | |
| Without Donor Restrictions | 1,408,408 |
| With Donor Restrictions | 56,865,426 |
| Total Net Assets | 58,273,834 |
| Total Liabilities and Net Assets | \$ 58,399,320 |

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, 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|-----------------------------------------|-------------------------------|----------------------------|----------------------|
| REVENUE AND SUPPORT | | | |
| Contributions | \$ 404,245 | \$ 11,653,639 | \$ 12,057,884 |
| Support from CMU | 234,106 | 32,500 | 266,606 |
| Special Events | - | 156,110 | 156,110 |
| Less: Cost of Direct Benefits to Donors | - | (105,718) | (105,718) |
| Investment Income (net of fees) | 12,002 | 566,617 | 578,619 |
| Realized Gain (Loss) on Investment | 92,991 | 5,059,746 | 5,152,737 |
| Unrealized Gain (Loss) on Investments | 85,823 | 4,669,730 | 4,755,553 |
| CMU Department and Club Collections | - | 1,676,607 | 1,676,607 |
| Other | 123 | 725 | 848 |
| Net Assets Released from Restrictions | 8,447,957 | (8,447,957) | - |
| Total Revenue and Support | <u>9,277,247</u> | <u>15,261,999</u> | <u>24,539,246</u> |
| EXPENSES | | | |
| Program Expenses | | | |
| Scholarships | 3,338,017 | - | 3,338,017 |
| CMU Building Projects and Expense | 3,416,203 | - | 3,416,203 |
| CMU Department and /Club Transfers | 1,107,846 | - | 1,107,846 |
| Other Support of CMU | 506,431 | - | 506,431 |
| Total Program Expenses | <u>8,368,497</u> | <u>-</u> | <u>8,368,497</u> |
| Supporting Services | | | |
| Management and General | 55,267 | - | 55,267 |
| Fund Raising | 179,599 | - | 179,599 |
| Total Supporting Expenses | <u>234,866</u> | <u>-</u> | <u>234,866</u> |
| Total Expenses | <u>8,603,363</u> | <u>-</u> | <u>8,603,363</u> |
| INCREASE (DECREASE) IN NET ASSETS | 673,884 | 15,261,999 | 15,935,883 |
| Net Assets-Beginning | 734,524 | 41,603,427 | 42,337,951 |
| Net Assets-Ending | <u>\$ 1,408,408</u> | <u>\$ 56,865,426</u> | <u>\$ 58,273,834</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, 2021

| | Program Services | | | | Supporting Services | | | Total |
|--------------------------------------------------------|---------------------|---------------------------------|---------------------------------|----------------------|----------------------|-------------------|---------------------|-------|
| | Scholarships | Building Projects and Expansion | CMU Department & Club Transfers | Other Support of CMU | Management & General | Fund Raising | Total | |
| CMU Building Projects | \$ - | \$ 3,416,203 | \$ - | \$ - | \$ - | \$ - | \$ 3,416,203 | |
| CMU Student Scholarships | 3,318,698 | - | - | - | - | - | 3,318,698 | |
| Other Scholarships | 5,850 | - | - | - | - | - | 5,850 | |
| CMU- Transfers & Expenses for Departments & Clubs | - | - | 1,107,846 | - | - | - | 1,107,846 | |
| Compute Maintenance & Supplies | 13,469 | - | - | - | 11,866 | 78,152 | 103,487 | |
| Donor Cultivation, Promotion, Hospitality, & Marketing | - | - | - | - | 258 | 84,150 | 84,408 | |
| Insurance | - | - | - | - | 8,941 | - | 8,941 | |
| In-Kind Transfers to CMU | - | - | - | 68,257 | - | - | 68,257 | |
| Other | - | - | - | 129,972 | 21,989 | 9,914 | 161,875 | |
| Professional Fees | - | - | - | 10,995 | 9,747 | - | 20,742 | |
| Supplies | - | - | - | - | 2,466 | 6,610 | 9,076 | |
| Travel | - | - | - | - | - | 773 | 773 | |
| Workforce Development & Applied Research | - | - | - | 10,000 | - | - | 10,000 | |
| Bad Debt Expense | - | - | - | 287,207 | - | - | 287,207 | |
| Total Expenses | \$ 3,338,017 | \$ 3,416,203 | \$ 1,107,846 | \$ 506,431 | \$ 55,267 | \$ 179,599 | \$ 8,603,363 | |

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, 2020

| | Program Services | | | | Supporting Services | | | Total |
|--------------------------------------------------------|---------------------|-------------------------------------|---------------------------------|----------------------|----------------------|-------------------|---------------------|---------------------|
| | Scholarships | CMU Building Projects and Expansion | CMU Department & Club Transfers | Other Support of CMU | Management & General | Fund Raising | Program Services | |
| CMU Building Projects | \$ - | \$ 775,623 | \$ - | \$ - | \$ - | \$ - | \$ 775,623 | \$ 775,623 |
| CMU Student Scholarships | 2,841,913 | - | - | - | - | - | 2,841,913 | 2,841,913 |
| Other Scholarships | 58,975 | - | - | - | - | - | 58,975 | 58,975 |
| CMU- Transfers & Expenses for Departments & Clubs | - | - | 1,848,204 | - | - | - | 1,848,204 | 1,848,204 |
| Compute Maintenance & Supplies | 12,424 | - | - | - | 31,366 | 56,749 | 12,424 | 100,539 |
| Donor Cultivation, Promotion, Hospitality, & Marketing | - | - | - | - | 8,731 | 77,723 | - | 86,454 |
| Insurance | - | - | - | - | 9,822 | - | - | 9,822 |
| In-Kind Transfers to CMU | - | - | - | 375,251 | - | - | 375,251 | 375,251 |
| Other | - | - | - | 40,981 | 2,951 | 5,081 | 40,981 | 49,013 |
| Professional Fees | - | - | - | - | 9,972 | - | - | 9,972 |
| Supplies | - | - | - | - | 7,523 | 3,813 | - | 11,336 |
| Travel | - | - | - | - | 919 | 2,848 | - | 3,767 |
| Workforce Development & Applied Research | - | - | - | 132,746 | - | - | 132,746 | 132,746 |
| Bad Debt Expense | - | - | - | 449,724 | - | - | 449,724 | 449,724 |
| Total Expenses | \$ 2,913,312 | \$ 775,623 | \$ 1,848,204 | \$ 998,702 | \$ 71,284 | \$ 146,214 | \$ 6,535,841 | \$ 6,753,339 |

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, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---------------------------------------------------------------------------------------|---------------|
| Increase (Decrease) in Net Assets | \$ 15,935,883 |
| Adjustment to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by: | |
| Operating Activities: | |
| Non-cash Donations included in Contributions | (68,257) |
| Unrealized (Gains) Losses on Investments | (4,755,553) |
| Loss on disposal of Property and Equipment | - |
| (Increase) Decrease in Operating Activities | |
| Unconditional Promises to Give | (2,689,840) |
| Accounts Receivable | (115,295) |
| Prepaid Program Expenses | - |
| Increase (Decrease) in Operating Liabilities: | |
| Accounts Payable | 35,775 |
| Accrued Liabilities | - |
| Contributions Restricted for Long-Term Purpose: | |
| Scholarships | (1,273,511) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 7,069,202 |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|--------------------------------------------------|--------------|
| Equipment Contributed to CMU | 68,257 |
| Net sale of Property held for Investment | - |
| Proceeds from Sale of Long-Term Investments | 5,152,739 |
| Purchase of Long-term Investments | (14,748,334) |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | (9,527,338) |

CASH FLOWS FROM FINANCING ACTIVITIES:

| | |
|-----------------------------------------------------------------|-----------|
| Collections of contributions Restricted for Long-Term Purposes: | |
| Scholarships | 1,273,511 |
| NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES | 1,273,511 |

| | |
|------------------------------------------------------|-------------|
| Net Increase (Decrease) in Cash and Cash Equivalents | (1,184,625) |
|------------------------------------------------------|-------------|

| | |
|----------------|-----------|
| Beginning Cash | 5,794,727 |
|----------------|-----------|

| | |
|-------------|--------------|
| Ending Cash | \$ 4,610,102 |
|-------------|--------------|

SUPPLEMENTAL DISCLOSURES

| | |
|---------------------------------------------|-----------|
| Noncash Investing and Financing Activities: | |
| Contribution of Equipment | \$ 68,257 |

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

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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.

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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.

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.

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Investments-continued

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.

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.

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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 a fair value from quoted market prices and consist of the following:

| | Cost | Fair Value | Unrealized Gains (Losses) |
|----------------------|---------------------|----------------------|------------------------------|
| Cash & Money Markets | \$ 676,585 | \$ 676,585 | \$ - |
| Common Stock | 2,958,754 | 5,187,417 | 2,228,663 |
| Equity Funds | 25,038,732 | 30,569,626 | 5,530,894 |
| Private Equity | 236,898 | 423,360 | 186,462 |
| Bonds | 56,609 | 50,382 | (6,227) |
| Bond Fund | 10,190,955 | 10,675,805 | 484,850 |
| Indexed | 1,121,887 | 1,238,317 | 116,430 |
| | <u>\$40,280,420</u> | <u>\$ 48,821,492</u> | <u>\$ 8,541,072</u> |

| | Without Donor Restrictions | With Donor Restrictions | Total |
|------------------------|-------------------------------|----------------------------|----------------------|
| Interest & Dividends | \$ 655,869 | \$ 12,054 | \$ 667,923 |
| Investment Fee | (89,252) | (1,640) | (90,892) |
| Realized Gain (Loss) | 5,059,746 | 92,991 | 5,152,737 |
| Unrealized Gain (Loss) | 4,669,730 | 85,823 | 4,755,553 |
| Total | <u>\$ 10,296,093</u> | <u>\$ 189,228</u> | <u>\$ 10,485,321</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.

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - FAIR VALUE MEASUREMENT-continued

Investments

| Description | Fair Value | 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 | \$ 676,585 | \$ 676,585 | \$ - | \$ - |
| Common Stock | 5,187,417 | 5,187,417 | - | - |
| Equity Funds | 30,569,626 | 30,569,626 | - | - |
| Private Equity | 423,360 | - | 423,360 | - |
| Bonds | 50,382 | 50,382 | - | - |
| Bond Funds | 10,675,805 | 10,675,805 | - | - |
| Indexed | 1,238,317 | 1,238,317 | - | - |
| Total Long-Term Investments | <u>\$ 48,821,492</u> | <u>\$ 48,398,132</u> | <u>\$ 423,360</u> | <u>\$ -</u> |

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 275 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.

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - ENDOWMENT-continued

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.

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, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution while growing the funds, if possible.

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - ENDOWMENT-continued

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 an asset mix for the endowments of the Foundation, keeping 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 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, depending on 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 Restrictions | With Donor Restrictions | Endowment Net Assets |
|---------------------------------------|-------------------------------|----------------------------|-------------------------|
| Donor Restricted Endowment Funds | \$ - | \$ 48,267,896 | \$ 48,267,896 |
| Board Designated Endowment Funds | 1,101,145 | - | 1,101,145 |
| Total | <u>\$ 1,101,145</u> | <u>\$ 48,267,896</u> | <u>\$ 49,369,041</u> |
| | Without Donor Restrictions | With Donor Restrictions | Endowment Net Assets |
| Endowment Net Assets-Beginning | \$ 443,005 | \$ 36,770,182 | \$ 37,213,187 |
| Contributions & Transfers | 476,412 | 2,422,726 | 2,899,138 |
| Investment Income-Net of Fees Net | 10,414 | 566,617 | 577,031 |
| Appreciation(Depreciation) | 178,814 | 9,729,476 | 9,908,290 |
| Net Assets Released From Restriction: | | | |
| Amts. Appropriated for Expenditure | <u>(7,500)</u> | <u>(1,221,105)</u> | <u>(1,228,605)</u> |
| Endowment Net Assets-Ending | <u>\$ 1,101,145</u> | <u>\$ 48,267,896</u> | <u>\$ 49,369,041</u> |

NOTE 6 –CONCENTRATIONS

Amounts in excess of \$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. Eighteen donors gave 81% of all contribution, and 95% of the unconditional promises to give are from 5 donors.

COLORADO MESA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 – PROMISES TO GIVE

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

With Donor Restrictions

| | |
|---------------------------------------------------------|---------------------|
| CMU Building Projects and Expansion | \$ 4,059,092 |
| CMU Departments and Clubs | - |
| Scholarships-Endowment | 582,600 |
| Subtotal | <u>4,641,692</u> |
| Less Discounts to Net Present Value-Discount rate 2.35% | (162,691) |
| Less Allowance for Uncollectible Promises Receivable | (188,170) |
| Total | <u>\$ 4,290,831</u> |

| | |
|----------------------------------|---------------------|
| Receivable in Less Than One Year | \$ 1,022,973 |
| Receivable in One to Five Years | 2,842,501 |
| Receivable After 5 Years | 425,357 |
| Total | <u>\$ 4,290,831</u> |

NOTE 8 –NET ASSETS WITH DONOR RESTRICTIONS

| | |
|---------------------------------------------|----------------------|
| | <u>6/30/2021</u> |
| With Donor Restrictions-Permanent Endowment | |
| Student Scholarship Endowments | \$ 23,214,429 |
| Research Endowments | 3,555,007 |
| Department Legacy Endowments | 4,441,627 |
| Total | <u>\$ 31,211,063</u> |

| | |
|-----------------------------------------------------------------------------------------|----------------------|
| With Donor Restrictions-Temporary | |
| Accumulated expendable portion of investment income from student scholarship endowments | \$ 17,354,562 |
| CMU Building Projects & Expansion | 3,747,730 |
| CMU Departments & Clubs | 3,452,214 |
| Various other Student scholarships or grants | 1,397,586 |
| Total | <u>\$ 25,952,092</u> |

NOTE 9 –CMU CAMPUS EXPANSION

CMU has plans to further expand the size of the university campus. The Foundation is assisting in the expansion by purchasing real estate or collecting monies to purchase real estate needed for the expansion. Colorado Mesa University Real Estate Foundation (CMUREF) a nonprofit that manages real estate for CMU also assists in the expansion. If the real estate closing is 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 \$3,416,203 to CMU and CMUREF during the fiscal year for building projects and expansion.

COLORADO MESA UNIVERSITY FOUNDATION
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NOTE 10 - RELATED PARTY

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

NOTE 11 – LIQUIDITY AND AVAILABILITY

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. 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 87% 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.

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NOTE 11 – LIQUIDITY AND AVAILABILITY-continued

The table below presents financial assets available for general expenditures within one year on June 30, 2021:

| | |
|-------------------------------------------------------------|----------------------|
| Financial assets at year end: | |
| Cash and Cash Equivalents | \$ 4,610,100 |
| Investments | 48,821,492 |
| Unconditional Promises to Give | 4,290,832 |
| Accounts Receivables | 128,895 |
| Land | 40,000 |
| Propety subject to Life Estate | 508,000 |
| Total Financial Assets | <u>58,399,319</u> |
| Less amounts NOT available for use within one year: | |
| Unconditional Promise to give Non Current | \$ 3,267,860 |
| Permanently restricted portion of Endowment | 31,211,063 |
| Property subject to Life Estate | 508,000 |
| Land | 40,000 |
| Private Equity Investment | 423,360 |
| Total Financial Assets NOT availabe for use within one year | <u>35,450,283</u> |
| Total Financial Assets | |
| Expenditures within one year. | <u>\$ 22,949,036</u> |